

## FINAL TERMS

7 April, 2009

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

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

**Issue of up to EUR 150,000,000 Inflation Digital & Bonus Coupon Notes due 15 May, 2015  
(the "Notes")**

**under the Structured Note Programme**

### **PART A – CONTRACTUAL TERMS**

The Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a **Relevant Member State**) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer of the Notes may only do so:

- (i) in circumstances in which no obligation arises for the Issuer or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those Public Offer Jurisdictions mentioned in Paragraph 46 of Part A below, provided such person is one of the persons mentioned in Paragraph 46 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Manager has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Base Prospectus dated 12 September, 2008 which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**). 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 on the website of the Luxembourg Stock Exchange at [www.bourse.lu](http://www.bourse.lu) and on the website of the Issuer at [www.bancaimi.com](http://www.bancaimi.com) and during normal business hours at the registered office of the Issuer and the specified offices of the Paying Agents.

*The purchase of Notes involves substantial risks and is suitable only for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Notes. Before making an investment decision, prospective purchasers of Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risks and that they consider carefully, in the light of their own financial circumstances, financial condition and investment objectives, all the information set forth (or incorporated by reference) in the Base Prospectus (including "Risk Factors" on pages 15 to 24 thereof) and these Final Terms.*

*No person has been authorised to give any information or make any representation not contained in or not consistent with these Final Terms, or any other information supplied in connection with the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any other person.*

*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. | (i) Series Number:                | 32                    |
|    | (ii) Tranche Number:              | 1                     |
| 3. | Specified Currency or Currencies: | Euro (EUR)            |
| 4. | Aggregate Nominal Amount:         |                       |
|    | (i) Series:                       | Up to EUR 150,000,000 |
|    | (ii) Tranche:                     | Up to EUR 150,000,000 |

The Aggregate Nominal Amount will not exceed EUR 150,000,000 and will be determined at the end of the Offer Period (as defined in item 46 below) and such final amount will be filed with the CSSF as competent authority and published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) pursuant to Articles 8 and 14(2) of the Prospectus Directive.

- |    |                                  |   |
|----|----------------------------------|---|
| 5. | Issue Price of Tranche:          | 100 per cent. of the Aggregate Nominal Amount |
| 6. | (a) Specified Denomination:      | EUR 1,000                                     |
|    | (b) Calculation Amount:          | EUR 1,000                                     |
| 7. | (i) Issue Date:                  | 15 May 2009                                   |
|    | (ii) Interest Commencement Date: | Issue Date                                    |
| 8. | Maturity Date:                   | 15 May 2015                                   |

- |     |  |   |
|-----|--|---|
| 9.  | Interest Basis:  | Fixed Rate in respect of the first Interest Period;<br>Index Linked and Equity Linked Interest thereafter<br><br><i>(further particulars specified in item 16, item 22 and<br/>item 23 below)</i> |
| 10. | Redemption/Payment Basis:                                | Redemption at par   |
| 11. | Change of Interest Basis or<br>Redemption/Payment Basis: | Not Applicable  |
| 12. | Put/Call Options:  | Not Applicable  |
| 13. | Status of the Notes:                                     | Senior  |
| 14. | Tax Gross-Up   | Condition 11 (b) applicable   |
| 15. | Method of distribution:                                  | Non-syndicated (see for further details item 46<br>below)   |

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

- |     |  |   |
|-----|--|---|
| 16. | Fixed Rate Note Provisions   | Applicable <u>in respect of the first Interest Period only</u>                                |
|     | (i) Rate(s) of Interest:   | 5.00 per cent. per annum from and including the<br>Issue Date up to but excluding 15 May 2010 |
|     | (ii) Interest Payment Date(s):   | 15 May 2010   |
|     | (iii) Fixed Coupon Amount(s):  | EUR 50.00 per Calculation Amount  |
|     | (iv) Broken Amount(s):   | Not Applicable  |
|     | (v) Day Count Fraction:  | Actual/Actual (ICMA)  |
|     | (vi) Determination Date(s):  | The Interest Commencement Date and 15 May<br>2010   |
|     | (vii) Other Terms relating to the<br>method of calculating interest<br>for Fixed Rate Notes: | Not Applicable  |
| 17. | Floating Rate Note Provisions  | Not Applicable  |
| 18. | Zero Coupon Note Provisions  | Not Applicable  |
| 19. | Currency Linked Interest Note Provisions   | Not Applicable  |
| 20. | Commodity Linked Interest Note Provisions  | Not Applicable  |
| 21. | Fund Linked Interest Note Provisions   | Not Applicable  |

## 22.Index Linked Interest Note Provisions

Applicable in respect of the second Interest Period and each subsequent Interest Period thereafter

- (i) Formula for calculating interest rate including backup provisions:

Each Note of EUR 1,000 Calculation Amount will pay on each of the Specified Interest Payment Date stated in item (v) below (and therefore each May 15<sup>th</sup>, starting from and including May 15<sup>th</sup> 2011 up to and including May 15<sup>th</sup> 2015) a rate of interest equal to 2 per cent. p.a., and therefore on each such Specified Interest Payment Date an Interest Amount equal to EUR 20.00 (each an **Index Linked Contingent Coupon**) contingent upon the Index Performance Condition being satisfied in the relevant Observation Period.

**Index Performance Condition** means that the Index Performance in the relevant Observation Period is higher than or equal to zero. In formula:

Index Performance  $\geq 0$ .

**Index Performance** means, in respect of the Index and an Observation Period, a rate expressed as a percentage and determined by the Calculation Agent in accordance with the following formula:

Index Performance = [(Final Level / Initial Level) - 1]

For the avoidance of any doubt, where the Index Performance Condition is not satisfied in an Observation Period, the Index Linked Contingent Coupon payable on the Specified Interest Payment Date relating to such Observation Period shall be zero.

For the avoidance of any doubt, the Index Linked Contingent Coupon will be additional to and not in lieu of any Equity Linked Contingent Coupon payable if any on the same Specified Interest Payment Date.

Where:

**Index** means the “Non-revised Harmonised Index of Consumer Prices excluding Tobacco” (HICP) or relevant Successor Index, measuring the rate of inflation in the European Monetary Union excluding tobacco, expressed as an index and currently published by Eurostat. The first publication or announcement of a level of such Index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.

**Final Level** means, in respect of the Index and an Observation Period:

- In respect of the first Observation Period and the Specified Interest Payment Date scheduled to fall on May 15<sup>th</sup>, 2011: the level of the Index reported for the month of February 2011, regardless of when this information is published or announced.
- in respect of the second Observation Period and the Specified Interest Payment Date scheduled to fall on May 15<sup>th</sup>, 2012: the level of the Index reported for the month of February 2012, regardless of when this information is published or announced.
- in respect of the third Observation Period and the Specified Interest Payment Date scheduled to fall on May 15<sup>th</sup>, 2013: the level of the Index reported for the month of February 2013, regardless of when this information is published or announced.
- in respect of the fourth Observation Period and the Specified Interest Payment Date scheduled to fall on May 15<sup>th</sup>, 2014: the level of the Index reported for the month of February 2014, regardless of when this information is published or announced.
- in respect of the fifth Observation Period and the Specified Interest Payment Date scheduled to fall on May 15<sup>th</sup>, 2015: the level of the Index reported for the month of February 2015, regardless of when this information is published or announced.

**Index Sponsor** or briefly **Sponsor** means Eurostat, as the entity that publishes or announces (directly or through an agent) the level of the Index.

**Initial Level** means, in respect of the Index and an Observation Period:

- in respect of the first Observation Period and the Specified Interest Payment Date scheduled to fall on May 15<sup>th</sup>, 2011: the level of the Index reported for the month of February 2010, regardless of when this information is published or announced.
- in respect of the second Observation Period and the Specified Interest Payment Date scheduled to fall on May 15<sup>th</sup>, 2012: the level of the Index reported for the month of February 2011, regardless of when this information is published or announced.
- in respect of the third Observation Period and the Specified Interest Payment Date scheduled to fall on May 15<sup>th</sup>, 2013: the level of the Index reported for the month of February 2012, regardless of when this information is published or announced.
- in respect of the fourth Observation Period and the Specified Interest Payment Date scheduled to fall on May 15<sup>th</sup>, 2014: the level of the Index reported for the month of February 2013, regardless of when this information is published or announced.
- in respect of the fifth Observation Period and the Specified Interest Payment Date scheduled to fall on May 15<sup>th</sup>, 2015: the level of the Index reported for the month of February 2014, regardless of when this information is published or announced.

**Observation Period** means each period from (and including) a Specified Interest Payment Date stated in (v) below up to (but excluding) the immediately next following Specified Interest Payment Date stated in (v) below or, in respect of the first Observation Period, the period from and including May 15<sup>th</sup>, 2010 up to but excluding May 15<sup>th</sup>, 2011.

**Reference Month** means each calendar month of February, starting from and including February 2010 up to and including February 2015.

(ii) Calculation Agent

Banca IMI S.p.A.  
Piazzetta G. Dell'Amore 3  
20121 Milan

- |       |   |  |
|-------|---|--|
| (iii) | Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount (if not the Agent): | Conditions apply   |
| (iv)  | Provisions for determining coupon where calculation by reference to Index and/or Formula is impossible or impracticable:      | <p><b>Index Publication Delay</b></p> <p>(a) If any level of the Index for a Reference Month which is relevant to the calculation of an Index Linked Contingent Coupon (the <b>Relevant Level</b>) has not been published or announced by the day that is five Business Days prior to the Specified Interest Payment Date related to such Index Linked Contingent Coupon, the Calculation Agent shall determine a substitute index level (a <b>Substitute Index Level</b>) (in place of such Relevant Level) by using the following methodology:</p> <p>(i) if applicable, the Calculation Agent will take the same action to determine the Substitute Index Level as that taken by the calculation agent pursuant to the terms and conditions of the Related Bond;</p> <p>(ii) If (i) does not result in a Substitute Index Level for any reason, then the Calculation Agent shall determine the Substitute Index Level as follows:<br/> <math display="block">\text{Substitute Index Level} = \text{Base Level} * (\text{Latest Level} / \text{Reference Level})</math> <u>Where:</u><br/> <b>Base Level</b> means the level of the Index (excluding any "flash" estimates) published or announced by the Index Sponsor in respect of the month which is 12 calendar months prior to the month for which the Substitute Index Level is being determined.<br/> <b>Latest Level</b> means the latest level of the Index (excluding any "flash" estimates) published or announced by the Index Sponsor prior to the month in respect of which the Substitute Index Level is being calculated.<br/> <b>Reference Level</b> means the level of the Index (excluding any "flash" estimates) published or announced by the Index Sponsor in respect of the month that is 12 calendar months prior to the month referred to in "Latest Level" above.</p> <p>(b) If a Relevant Level is published or announced at any time after the day that is five Business Days prior to the Specified Interest Payment Date related to the relevant Index Linked Contingent Coupon, such Relevant Level will not be used in any calculations. The Substitute Index Level so determined pursuant to these provisions will be the definitive level for that Reference Month.</p> |

**Cessation of Publication**

If a level for the Index has not been published or announced for two consecutive months or the Index Sponsor announces that it will no longer continue to publish or announce the Index then the Calculation Agent shall determine a successor index (the **Successor Index**) (in lieu of any previously applicable Index) by using the following methodology:

(a) If at any time, a successor index has been designated by the calculation agent pursuant to the terms and conditions of the Related Bond, such successor index shall be designated a Successor Index for the purposes of all subsequent Specified Interest Payment Dates, notwithstanding that any other Successor Index may previously have been determined under (b), (c) (d) or (e) hereof ; or

(b) If a Successor Index has not been determined under (a) above, and a notice has been given or an announcement has been made by the Index Sponsor, specifying that the Index will be superseded by a replacement Index specified by the Index Sponsor, and the Calculation Agent determines that such replacement index is calculated using the same or substantially similar formula or method of calculation as used in the calculation of the previously applicable Index, such replacement index shall be the Index for purposes of the issue of these Notes from the date that such replacement Index comes into effect; or

(c) If a Successor Index has not been determined under (a) or (b) above, the Calculation Agent shall ask five leading independent dealers to state what the replacement index for the Index should be. If between four and five responses are received, and of those four or five responses, three or more leading independent dealers state the same index, this index will be deemed the Successor Index. If three responses are received, and two or more leading independent dealers state the same index, this index will be deemed the Successor Index. If fewer than three responses are received, the Calculation Agent will proceed to subsection (d) hereof; or

(d) If no Successor Index has been deemed under (a), (b) or (c) above by the fifth Business Day prior to the next Specified Interest Payment Date the Calculation Agent will determine an appropriate alternative index for such Specified Interest Payment Date, and such index will be deemed a Successor Index; or



(e) If the Calculation Agent determines that there is no appropriate alternative index, the Calculation Agent shall determine in its sole discretion the Index Performance for the purposes of determining the occurrence of the Index Performance Condition for the relevant Observation Period according to the then current market conditions.

**Rebasing of the Index**

If the Calculation Agent determines that the Index has been or will be rebased at any time, the Index as so rebased (the **Rebased Index**) will be used for purposes of determining the level of the Index from the date of such rebasing; provided, however, that the Calculation Agent shall make such adjustments as are made by the calculation agent pursuant to the terms and conditions of the Related Bond, if any, to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Index before it was rebased, or, if there is no Related Bond, the Calculation Agent shall make adjustments to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Index before it was rebased. Any such rebasing shall not affect any prior payments made under the Notes.

**Material Modification Prior to a Specified Interest Payment Date**

If, on or prior to the day that is five Business Days before a Specified Interest Payment Date, the Index Sponsor announces that it will make a material change to the Index then the Calculation Agent shall make any such adjustments to the Index consistent with adjustments made to the Related Bond, or, if there is no Related Bond, only those adjustments necessary for the modified Index to continue as the Index.

**Manifest Error in Publication**

If, within thirty days of publication and in all circumstances by the Sunset Date related to the relevant Specified Interest Payment Date, the Calculation Agent determines that the Index Sponsor has corrected the level of the Index to remedy a manifest error in its original publication, the Calculation Agent will determine whether the Index Performance Condition has been satisfied for the relevant Observation Period and therefore whether the Index Linked Contingent Coupon will be paid on the relevant Specified Interest Payment Date on the basis of the level of the Index as correctly published and take such other action as it may deem necessary to give effect to such correction.

For the purposes of the above provisions, the following terms will have the following meaning:

**Related Bond** means a bond selected by the Calculation Agent and that is a debt obligations of one of the governments (but not any government agencies) of France, Italy, Germany or Spain and which pays a coupon or redemption amount which is calculated by reference to the level of inflation in the European Monetary Union, with a maturity date which falls on (a) the same day as the Maturity Date, (b) the next longest maturity after the Maturity Date if there is no such bond maturing on the Maturity Date, or (c) the next shortest maturity before the Maturity Date if no bond defined in (a) or (b) is selected by the Calculation Agent. The Calculation Agent will select the Related Bond from those inflation-linked bonds issued on or before the Issue Date and, if there is more than one inflation-linked bond maturing on the same date, the Related Bond shall be selected by the Calculation Agent from those bonds. If the Related Bond redeems the Calculation Agent will select a new Related Bond on the same basis, but selected from all eligible bonds in issue at the time the original Related Bond redeems (including any bond for which the redeemed bond is exchanged).

**Sunset Date means:**

- in respect of the Specified Interest Payment Date scheduled to fall on May 15<sup>th</sup>, 2011: 9 May 2011;
- in respect of the Specified Interest Payment Date scheduled to fall on May 15<sup>th</sup>, 2012: 8 May 2012;
- in respect of the Specified Interest Payment Date scheduled to fall on May 15<sup>th</sup>, 2013: 8 May 2013;
- in respect of the Specified Interest Payment Date scheduled to fall on May 15<sup>th</sup>, 2014: 8 May 2014;
- in respect of the Specified Interest Payment Date scheduled to fall on May 15<sup>th</sup>, 2015: 8 May 2015.

For the avoidance of doubt, these dates shall not be subject to adjustment.

(v)	Specified Period(s)/Specified Interest Payment Date(s):	each May 15 <sup>th</sup> , starting from and including May 15 <sup>th</sup> 2011 up to and including May 15 <sup>th</sup> 2015
(vi)	Business Day Convention:	Modified Following
(vii)	Additional Business Centre	Not Applicable
(viii)	Minimum Rate of Interest:	Not Applicable
(ix)	Maximum Rate of Interest:	Not Applicable
(x)	Day Count Fraction:	Actual/360
(xi)	Other terms or special conditions:	Not Applicable

23. Equity Linked Interest Note Provisions	<u>Applicable in respect of the second Interest Period and each subsequent Interest Period thereafter</u>
--	---

- (i) Formula for calculating interest rate including backup provisions: Each Note of EUR 1,000 Calculation Amount will pay on each of the Specified Interest Payment Date stated in item (v) below (and therefore each May 15<sup>th</sup>, starting from and including May 15<sup>th</sup> 2011 up to and including May 15<sup>th</sup> 2015) an Interest Amount (each an **Equity Linked Contingent Coupon**) calculated by the Calculation Agent in accordance with the formula below contingent upon the Equities Basket Performance Condition being satisfied in the relevant Observation Period:

$$ELCC_t = EUR1,000 * 3.15\% * (t - 1) - \sum_{i=1}^{t-1} ELCC_i$$

Where:

**ELCC<sub>t</sub>** means, in respect of a Specified Interest Payment Date, the Equity Linked Contingent Coupon payable on such Specified Interest Payment Date.

**t** means:

- 2, in respect of the Specified Interest Payment Date scheduled to fall on May 15<sup>th</sup>, 2011;
- 3, in respect of the Specified Interest Payment Date scheduled to fall on May 15<sup>th</sup>, 2012;
- 4, in respect of the Specified Interest Payment Date scheduled to fall on May 15<sup>th</sup>, 2013;
- 5, in respect of the Specified Interest Payment Date scheduled to fall on May 15<sup>th</sup>, 2014;
- 6, in respect of the Specified Interest Payment Date scheduled to fall on May 15<sup>th</sup>, 2015.

$\sum_{i=1}^{t-1} ELCC_i$  means, in respect of a Specified Interest Payment Date, the aggregate of the Equity Linked Contingent Coupons paid in respect of a Note of EUR 1,000 Calculation Amount on the preceding Specified Interest Payment Dates. For the avoidance of any doubt, this aggregate amount will be zero in respect of the first Specified Interest Payment Date scheduled to fall on May 15<sup>th</sup>, 2011.

**Equities Basket Performance Condition** means that, in respect of an Observation Period, on the Valuation Date relating to such Observation Period the Final Price of each of the Underlying Equities comprised in the Basket of Equities is higher than the Barrier Price relating to each such Equity.

For the avoidance of any doubt, where the Equities Basket Performance Condition is not satisfied in an Observation Period, the Equity Linked Contingent Coupon payable on the Specified Interest Payment Date relating to such Observation Period shall be zero.

For the avoidance of any doubt, the Equity Linked Contingent Coupon will be additional to and not in lieu of any Index Linked Contingent Coupon payable if any on the same Specified Interest Payment Date.

**Basket of Equities** means a basket comprised of the following equity securities in Italian entities (each an **Underlying Equity** and each relevant issuer thereof an **Equity Issuer**):

- common shares in ENI S.p.A. (ISIN: IT0003132476 - Bloomberg Code: ENI IM)
- common shares in ENEL S.p.A. (ISIN: IT0003128367 - Bloomberg Code: ENEL IM)
- common shares in ASSICURAZIONI GENERALI (ISIN: IT0000062072 - Bloomberg Code: G IM)

**Observation Period** means each period from (and including) a Specified Interest Payment Date stated in (v) below up to (but excluding) the immediately next following Specified Interest Payment Date stated in (v) below or, in respect of the first Observation Period, the period from and including May 15<sup>th</sup>, 2010 up to but excluding May 15<sup>th</sup>, 2011.

Terms defined in Annex 1 shall have for the purposes of the Notes the meaning therein ascribed to them, provided that, save as otherwise defined in Annex 1, the definitions as set out in Annex 2 to the Terms and Conditions “Definitions applicable to Equity Linked Redemption Notes” shall apply to the Notes.

- |       |   |  |
|-------|---|--|
| (ii)  | Calculation Agent   | Banca IMI S.p.A.<br>Piazzetta G. Dell'Amore 3<br>20121 Milan |
| (iii) | Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount (if not the Agent): | Conditions apply   |

(iv)	Provisions for calculating interest where calculation by reference to formula is impossible or impracticable:	Upon occurrence of a Merger Event, Nationalisation, Insolvency, De-listing, Tender Offer, Demerger, the provisions stated in Annex 2 shall apply.
(v)	Specified Period(s)/Specified Interest Payment Date(s):	each May 15 <sup>th</sup> , starting from and including May 15 <sup>th</sup> 2011 up to and including May 15 <sup>th</sup> 2015
(vi)	Business Day Convention:	Modified Following
(vii)	Additional Business Centre:	Not Applicable
(viii)	Minimum Rate of Interest:	Not Applicable
(ix)	Maximum Rate of Interest:	Not Applicable
(x)	Day Count Fraction:	Actual/360
(xi)	Other terms or special conditions:	Condition 9(b)(i) and (iii) shall apply to the Notes, irrespective of the Notes being Equity Linked Interest Notes and not Equity Linked Redemption Notes.

Upon occurrence of a Merger Event, Nationalisation, Insolvency, De-listing, Tender Offer, Demerger, the provisions stated in Annex 2 shall apply.

In the event that any price or level published by an Exchange and which is utilized for any calculation or determination made under the Notes is subsequently corrected and the correction is published by the Exchange within the earlier of (i) one Settlement Cycle after the original publication and (ii) the close of business on the relevant Sunset Date, the Calculation Agent will determine whether the Equities Basket Performance Condition has been satisfied for the relevant Observation Period and therefore whether the Equity Linked Contingent Coupon will be paid on the relevant Specified Interest Payment Date taking into account the level as correctly published.

#### **PROVISIONS RELATING TO REDEMPTION**

24. Issuer Call:	Not Applicable
25. Investor Put:	Not Applicable
26. Final Redemption Amount of each Note	EUR 1,000 per Calculation Amount

27. (i)	Early Redemption Amount of each Note payable on redemption for taxation reasons, redemption for illegality or on event of default (or, in the case of Index Linked Redemption Notes, following an Index Adjustment Event in accordance with Condition 8(b)(ii)(y) or, in the case of Equity Linked Redemption Notes, following certain corporate events in accordance with Condition 9(b)(ii)(B) or, in the case of Credit Linked Notes, following a Merger Event (if applicable)) and/or the method of calculating the same (if required or if different from that set out in Condition 6(f)):	The higher of (i) EUR 1,000 per Calculation Amount and (ii) an amount in the Specified Currency which the Calculation Agent will determine and calculate in its sole discretion in good faith and in a commercially reasonable manner as representing the fair economic value of the Note at the date of redemption, without making any reduction to such value by reason of the financial condition of the Issuer but taking into account (without duplication) any costs and expenses incurred by the Issuer in connection with the termination of any agreement or instrument entered into by the Issuer for the purposes of hedging the risk arising from the entering into and performance of its obligations under the Notes.
(ii)	Early Redemption Unwind Costs:	Not Applicable
28.	Currency Linked Redemption Notes:	Not Applicable
29.	Commodity Linked Redemption Notes:	Not Applicable
30.	Fund Linked Redemption Notes:	Not Applicable
31.	Index Linked Redemption Notes:	Not Applicable
32.	Equity Linked Redemption Notes:	Not Applicable
33.	Credit Linked Notes:	Not Applicable

## **GENERAL PROVISIONS APPLICABLE TO THE NOTES**

### **34. 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   |

35. Additional Financial Centre(s) or other special provisions relating to Payment Days:	Not Applicable
--	----------------

36. Talons for future Coupons or Receipts to be attached to definitive Notes (and dates on which such Talons mature):	No
---	----

37. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable
--	----------------

### **38. Details relating to Instalment Notes:**

- |      |                       |                |
|------|-----------------------|----------------|
| (i)  | Instalment Amount(s): | Not Applicable |
| (ii) | Instalment Date(s):   | Not Applicable |

39. Redenomination applicable:	Redenomination not applicable
--------------------------------	-------------------------------

40. Notice to the Issuer:	Not Applicable
---------------------------	----------------

41. Other final terms:	Not Applicable
------------------------	----------------

## **DISTRIBUTION**

- |     |                                       |                |
|-----|---------------------------------------|----------------|
| 42. | (i) If syndicated, names of Managers: | Not Applicable |
|     | (ii) Date of Subscription Agreement:  | Not Applicable |
|     | (iii) Stabilising Manager (if any):   | Not Applicable |

43. If non-syndicated, name of relevant Manager, if applicable:	See item 46 below
---	-------------------



44.Total commission and concession:

The Issuer and the Managers (as defined in paragraph 46 below) have agreed a placement commission payable to the Managers of 7.00 per cent. of the Aggregate Nominal Amount of the Notes placed up to the Aggregate Nominal Amount of EUR 85,000,000 and thereafter the placement commission will be agreed upon by the Issuer and the Managers according to the then prevailing market conditions, subject to a cap of 7.00 per cent. of the Aggregate Nominal Amount of the Notes placed.

45. US Selling Restrictions:

Reg. S compliance category: TEFRA D

46. Non exempt Offer:

An offer of the Notes may be made by the Issuer through the Managers other than pursuant to Article 3(2) of the Prospectus Directive in Italy (**Public Offer Jurisdiction**) during the period from and including 8 April 2009 until, subject to early closure, 4:00 p.m. (Milan time) on 5 May 2009 (such period, as it may be amended in case of early closure of the offer, the **Offer Period**), as provided in Paragraph 10 of Part B below.

The Notes are being offered to the public in Italy pursuant to Articles 17 and 18 of the Prospectus Directive and the implementing provisions in Italy, namely article 10-bis of CONSOB Regulation No. 11971/1999 as amended.

The Issuer may at its discretion close the offer period early, also in circumstances where purchases of Notes are not yet equal to the maximum Aggregate Nominal Amount and the Issuer shall close the offer period early upon being notified by the Managers the subscription applications having reached the aggregate principal amount of EUR 140,000,000. Notice of the early closure of the offer period will be given by the Issuer by publication (i) in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) and in a leading newspaper having general circulation in Italy (which is expected to be *MF*) or (ii) on the website of the Issuer and the Managers. Early closure of the offer will be effective upon publication.

The Issuer may revoke or withdraw the offer. Notice of revocation/withdrawal of the offer will be given by the Issuer by publication (i) in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) and in a leading newspaper having general circulation in Italy (which is expected to be *MF*) or (ii) on the website of the Issuer and the Managers. Upon revocation/withdrawal of the offer, all subscription applications will become void and of no effect, without further notice.

Managers:

- Banca Generali S.p.A., Via Machiavelli 4, Trieste
- Banca BSI Italia S.p.A., Piazza S. Alessandro 4, Milano.

The Issuer and the Managers have entered into a placement agreement (the **Placement Agreement**), dated on or about 7 April 2009 in connection with the placement of the Notes.

47. Additional selling restrictions:

Not Applicable

48. Conditions of Offer:

Offer of the Notes is conditional on their issue only

#### **LISTING AND ADMISSION TO TRADING APPLICATION**

These Final Terms comprise the final terms required for issue and public offer in the Public Offer Jurisdictions and admission to trading on the regulated market of the Luxembourg Stock Exchange of the Notes described herein pursuant to the Structured Note Programme of Banca IMI S.p.A.

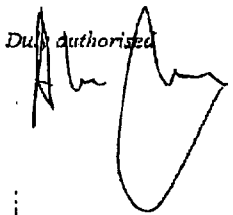
#### **RESPONSIBILITY**

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

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

By:

*Duly authorized*



## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing and admission to trading: Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange with effect from the Issue Date.
- (ii) Estimate of total expenses related to admission to trading: EUR 3,370

### 2. RATINGS

Ratings: The Notes to be issued have not been rated.

The rating of the Issuer is:

S&P:	AA-
Moody's:	Aa3
Fitch:	AA-

### 3. NOTIFICATION

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

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

The Managers have or may have from time to time existing relationships with the Issuer resulting in potential conflict of interest with the Noteholders and have indirect participation relationships with the Issuer (as they are controlled by Assicurazioni Generali S.p.A., which is one of the shareholders of Intesa Sanpaolo S.p.A., which in turn is the controlling company of the Issuer).

The Issuer has entered into or is expected to enter into hedging arrangements with market counterparties (including certain of the Managers) in connection with the issue of the Notes in order to hedge its exposure and it will act as Calculation Agent under the Notes.

Where the notional amount of the Notes placed by the Managers should be lower and/or higher the notional amount of the hedging arrangements entered into by the Issuer, the Issuer will unwind such arrangements for the notional amount in excess of the Notes placed or respectively will enter into additional hedging arrangements in respect of the shortfall. All costs and expenses resulting from the unwinding of any such hedging arrangements or from the Issuer entering into any additional hedging arrangements will be borne by the Manager Banca Generali S.p.A.

Return of the Notes is in part linked to the performance of the Basket of Equities, including Underlying Equities issued by Assicurazioni Generali S.p.A.. With regards to the Underlying Equities issued by Assicurazioni Generali S.p.A., investors should consider that the Managers and Assicurazioni Generali S.p.A. are affiliated companies and parties of the same group.

Save as discussed above and except for any fees payable to the Managers, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

## 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 (net of the commissions referred to in item 44 of Part A above) of the issue of the Notes will be up to 93.00 per cent. of the Aggregate Nominal Amount of the Notes issued at the end of the Offer Period, i.e. up to EUR 139,500,000, assuming the placement commission will be 7.00 per cent. over all the Aggregate Nominal Amount of the Notes placed.
- (iii) Estimated total expenses: The estimated total expenses that can be determined as of the Issue Date are up to EUR 3,370 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 Notes will bear a fixed rate in respect of the first Interest Period only, such fixed rate being 5.00 per cent. p.a.. See for further details paragraph 16 of Part A above.

In addition to the fixed interest rate coupon, the Notes might pay on each May 15<sup>th</sup>, starting from (and including) May 15<sup>th</sup> 2011 up to (and including) May 15<sup>th</sup> 2015:

(i) an index-linked coupon contingent to the performance of the Index (the "Non-revised Harmonised Index of Consumer Prices excluding Tobacco" (HICP) or relevant Successor Index, measuring the rate of inflation in the European Monetary Union excluding tobacco, expressed as an Index and published by the relevant Index Sponsor) on the relevant Observation Period; and

(ii) an equity-linked coupon contingent to the performance of a Basket of Equities on the same Observation Period.

See for further details paragraph 22 and paragraph 23 of Part A above.

The yield of the Notes will therefore be dependant

(i) upon the performance of the Index on each Observation Period; and

(ii) upon the performance of the Basket of Equities on each Observation Period.

**Assuming that each of the Index Performance Condition and the Equities Basket Performance Condition will NOT be satisfied on each Observation Period, the gross yield of the Notes will therefore be 0.85 per cent. p.a..**

The above yields are calculated at the Issue Date on the basis of the Issue Price. They are not an indication of future yield.

## **7. PERFORMANCE OF INDEX, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE INDEX**

Under the Notes, Noteholders are entitled to receive on each Specified Interest Payment Date, starting from and including May 15<sup>th</sup>, 2011 up to and including May 15<sup>th</sup>, 2015 a coupon, equal to EUR 20.00 per each Note of EUR 1,000 Specified Denomination (each an **Index Linked Contingent Coupon**) contingent upon the Index Performance Condition being satisfied in the relevant Observation Period.

Should the Index Performance Condition be not satisfied in an Observation Period, the Index Linked Contingent Coupon payable on the Specified Interest Payment Date relating to such Observation Period shall be zero, i.e. no Index Linked Contingent Coupon will be payable on the relevant Specified Interest Payment Date.

**Index Performance Condition** means that the Index Performance in the relevant Observation Period is higher than or equal to zero.

**Index Performance** means, in respect of the Index and an Observation Period, a rate expressed as a percentage and determined by the Calculation Agent in accordance with the following formula:

$$\text{Index Performance} = [(\text{Final Level} / \text{Initial Level}) - 1]$$

**Index** means the “Non-revised Harmonised Index of Consumer Prices excluding Tobacco” (HICP) or relevant Successor Index, measuring the rate of inflation in the European Monetary Union excluding tobacco, expressed as an Index and published by the relevant Index Sponsor. See for further details paragraph 22 of Part A above.

Noteholders and prospective investors in the Notes should be aware and carefully consider that:

- should the Index Performance Condition be not satisfied in an Observation Period, the Index Linked Contingent Coupon payable on the Specified Interest Payment Date relating to such Observation Period shall be zero, i.e. no Index Linked Contingent Coupon will be payable on the relevant Specified Interest Payment Date.
- in case of a positive performance of the Index in an Observation Period, the Index Linked Contingent Coupon payable on the Specified Interest Payment Date relating to such Observation Period shall not exceed EUR 20.00 per each Note of EUR 1,000 Specified Denomination. Therefore, whilst a positive performance of the Index is required in order for the Index Performance Condition to occur and be satisfied and for the Index Linked Contingent Coupon being payable on the relevant Specified Interest Payment Date, any positive performance of the Index in excess of 2 per cent. will be disregarded for the purposes of determining the Index Linked Contingent

Coupon, as the Index Linked Contingent Coupon shall in no circumstances exceed EUR 20.00 per each Note of EUR 1,000 Specified Denomination.

- the Index Linked Contingent Coupon and therefore part of the return of the Notes in addition to the fixed rate is dependant upon the Final Level of the Index for the relevant Observation Period being higher than or equal to the Initial Level of such Index for the same Observation Period.
- upon occurrence of certain disruption events, the Issuer, acting in its capacity as Calculation Agent, will be entitled to replace the Index with a Successor Index or use, in lieu of a Relevant Level of the Index, a Substitute Index Level or take any other action determination or judgement acting in its sole discretion. All such action, determination or judgements may influence the amounts receivable under the Notes.

**AN INVESTMENT IN THE NOTES ENTAILS SIGNIFICANT RISK NOT ASSOCIATED WITH INVESTMENTS IN CONVENTIONAL DEBT SECURITIES AND NOTES ARE COMPLEX FINANCIAL INSTRUMENTS WHICH ARE NOT A SUITABLE INVESTMENT FOR ALL INVESTORS.**

In respect of the Index, certain historical information in respect of such Index (including past performance thereof) are available at the web site of the Index Sponsor.

The Issuer does not intend to provide any post-issuance information in relation to the Index and performance thereof.

#### **8. PERFORMANCE OF THE BASKET OF EQUITIES, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE BASKET OF EQUITIES**

Under the Notes, Noteholders are entitled to receive on each Specified Interest Payment Date, starting from and including May 15<sup>th</sup>, 2011 up to and including May 15<sup>th</sup>, 2015 a coupon (each an **Equity Linked Contingent Coupon**) contingent upon the Equities Basket Performance Condition being satisfied in the relevant Observation Period.

Should the Equities Basket Performance Condition be satisfied in the relevant Observation Period, the Equity Linked Contingent Coupon payable on the Specified Interest Payment Date relating to such Observation Period will be equal per each Note of EUR 1,000 Specified Denomination to a EUR amount equal to the difference between (x) the product of EUR 1,000 by 3.15 per cent. by (t-1) (with t ranging from 2 in respect of the first Specified Interest Payment Date scheduled to fall on May 15<sup>th</sup> 2011 to 6 in respect of the fifth Specified Interest Payment Date scheduled to fall on May 15<sup>th</sup> 2015) and (y) the aggregate of the Equity Linked Contingent Coupons paid in respect of a Note of EUR 1,000 Calculation Amount on the preceding Specified Interest Payment Dates. For the avoidance of any doubt, this aggregate amount will be zero in respect of the first Specified Interest Payment Date scheduled to fall on May 15<sup>th</sup>, 2011.

Should the Equity Linked Performance Condition be not satisfied in an Observation Period, the Equity Linked Contingent Coupon payable on the Specified Interest Payment Date relating to such Observation Period shall be zero, i.e. no Equity Linked Contingent Coupon will be payable on the relevant Specified Interest Payment Date.

**Equities Basket Performance Condition** means that, in respect of an Observation Period, on the Valuation Date relating to such Observation Period the Final Price of each of the Underlying Equities comprised in the Basket of Equities is higher than the Barrier Price relating to each such Equity.

See for further details paragraph 23 of Part A above.

Noteholders and prospective investors in the Notes should be aware and carefully consider that:

- should the Equities Basket Performance Condition be not satisfied in an Observation Period, the Equity Linked Contingent Coupon payable on the Specified Interest Payment Date relating to such Observation Period shall be zero, i.e. no Equity Linked Contingent Coupon will be payable on the relevant Specified Interest Payment Date.

- the Equity Linked Contingent Coupon and therefore part of the return of the Notes in addition to the fixed rate is dependant upon the Final Price of each of the Underlying Equities on the Valuation Date related to the relevant Observation Period being higher than the Initial Price/ the Barrier Price of such Underlying Equity.
- in order for the Equities Basket Performance Condition to be satisfied, in respect of an Observation Period, on the Valuation Date relating to such Observation Period the Final Price of each of the Underlying Equities comprised in the Basket of Equities has to be higher than the Barrier Price relating to each such Underlying Equity. Therefore, where the Final Price of even just one of the Underlying Equities comprised in the Basket should be equal to or lower than the Barrier Price thereof, the Equities Basket Performance Condition shall not be satisfied and no Equity Linked Contingent Coupon will be paid on the relevant Specified Interest Payment Date.
- upon occurrence of certain disruption events, the Issuer, acting in its capacity as Calculation Agent, will be entitled to take certain action determination or judgement acting in its sole discretion. All such action, determination or judgements may influence the amounts receivable under the Notes.

**AN INVESTMENT IN THE NOTES ENTAILS SIGNIFICANT RISK NOT ASSOCIATED WITH INVESTMENTS IN CONVENTIONAL DEBT SECURITIES AND NOTES ARE COMPLEX FINANCIAL INSTRUMENTS WHICH ARE NOT A SUITABLE INVESTMENT FOR ALL INVESTORS.**

In respect of the Underlying Equities, certain historical information in respect of each Underlying Equity (including past performance thereof) are available at the web site of the relevant Equity Issuer.

The Issuer does not intend to provide any post-issuance information in relation to the Underlying Equities and performance thereof or the relevant Equity Issuers.

## 9. OPERATIONAL INFORMATION

- |       |  |                          |
|-------|--|--------------------------|
| (i)   | ISIN Code:   | XS0419344501             |
| (ii)  | Common Code:   | 041934450                |
| (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) (if any):  | 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.

## 10. TERMS AND CONDITIONS OF THE OFFER



Offer Price:	Issue Price, i.e. 100 per cent. of the Specified Denomination
Conditions to which the offer is subject:	Offer of the Notes is conditional on their issue only
The time period, including any possible amendments, during which the offer will be open and description of the application process:	<p>During the Offer Period, prospective investors may subscribe the Notes during normal Italian banking hours at the offices (filiali) of the Managers by filling in, duly executing (also by appropriate attorneys) and delivering a specific acceptance form (the Acceptance Form) (<i>Scheda di Adesione</i>). The Acceptance Form is available at each Manager's office.</p> <p>Subscription of the Notes may also be made by means of financial promoters (<i>promotori finanziari</i>). Subscription of the Notes may not be made by means of distance or on line communications techniques.</p> <p>There is no limit to the subscription application which may be filled in and delivered by the same prospective investor with the same or different Manager.</p> <p>The subscription of the Notes is irrevocable, save as otherwise provided by law, and may not be subject to conditions.</p> <p>As to the subscriptions by financial promoters, subscription applications may be revoked by investors at no costs and fees through a specific request made to the financial promoter which has received the relevant subscription application or to the relevant Manager within the seventh day after subscription having made.</p>
Details of the minimum and/or maximum amount of application:	<p>The Notes may be subscribed in a minimum lot of no. 1 Note (the "<b>Minimum Lot</b>") for a nominal amount of EUR 1,000 or an integral number of Notes.</p> <p>No maximum amount of application is provided.</p>
Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	Not Applicable
Details of the method and time limits for paying up and delivering the Notes:	<p>The total consideration for the Notes subscribed must be paid by the investor on the Issue Date to the Manager's office which has received the relevant subscription form.</p> <p>The Notes will be delivered on the Issue Date, subsequent to the payment of the Offer Price, to</p>

	potential Noteholders in the deposit accounts held, directly or indirectly, by the Managers at Euroclear and/or Clearstream.
Manner in and date on which results of the offer are to be made public:	Not later than 5 days on which the TARGET2 System is open following the closing of the Offer Period (as amended in the event of early closure of the offer), the Issuer will notify the public of the results of the offer through a notice published on the website of either the Issuer and the Managers.
Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	Not Applicable
Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries:	The Notes will be offered only to the public in Italy.  Qualified investors, as defined in Article 2 (i) (e) of the Prospectus Directive 2003/71/EC, are allowed to subscribe the Notes.
Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:	Each Manager shall notify applicants with amounts allotted.  There are no allotment criteria ( <i>criteri di riparto</i> ), as subscription applications will, subject to the early closure of the offer, be satisfied until reaching the maximum Aggregate Nominal Amount of EUR 150,000,000 and thereafter Managers will immediately suspend receipt of further subscription applications.
Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	No expenses and duties will be charged by the Issuer to the subscribers of the Notes.

## **Annex 1**

*(This Annex 1 forms part of the Final Terms to which it is attached)*

### **DEFINITIONS**

For the purpose of these Final Terms, the following terms shall have the following meaning.

**Barrier Price** means, in respect of an Underlying Equity the Initial Price thereof.

**Clearance System** means, in respect of a share, the principal domestic clearance system customarily used for settling trades in the relevant share as determined by the Calculation Agent.

**Clearance System Business Day** means, in respect of a Clearance System, any day on which such Clearance System is (or, but for the occurrence of a Settlement Disruption Event, would have been) open for acceptance and execution of settlement instructions.

**Demerger** means, in respect of an Underlying Equity, the demerger (whatsoever denominated) of the relevant Equity Issuer.

**Disrupted Day** means, in respect of an Underlying Equity, any Scheduled Trading Day on which (i) the relevant Exchange or any relevant Related Exchange relating to such Underlying Equity fails to open for trading during its regular trading session or (ii) on which a Market Disruption Event relating to such Underlying Equity has occurred.

**Early Closure** means, in respect of an Underlying Equity, the closure on any Exchange Business Day of the relevant Exchange or any Related Exchange(s) relating to such Underlying Equity prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day or (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

**Exchange** means, in respect of each Underlying Equity, the Borsa Italiana S.p.A. – MTA Market, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Underlying Equity has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Underlying Equity on such temporary substitute exchange or quotation system as on the original Exchange).

**Exchange Business Day** means, in respect of an Underlying Equity, any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange relating to such Underlying Equity are open for trading during their respective regular trading session notwithstanding any such Exchange or Related Exchange closing prior to their Scheduled Closing Time.

**Exchange Disruption** means, in respect of an Underlying Equity, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (A) to effect transactions in, or obtain market values for, such Underlying Equity on the Exchange, or (B) to effect transactions in, or obtain market values for, futures or options contracts relating to such Underlying Equity on any relevant Related Exchange.

**Final Price** means, in respect of an Underlying Equity and a Valuation Date, the Relevant Price per such Underlying Equity on the relevant Valuation Date as determined by the Calculation Agent.

**Initial Price** means, in respect of an Underlying Equity and the Initial Valuation Date, the Relevant Price per such Underlying Equity on the Initial Valuation Date as determined by the Calculation Agent.

**Initial Valuation Date** means May 15<sup>th</sup> 2009 or if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, unless such day is a Disrupted Day. If such day is a Disrupted Day then the Initial Valuation Date for each Underlying Equity not affected by the occurrence of a Disrupted Day shall be the Scheduled Initial Valuation Date, and the Initial Valuation Date for each Underlying Equity affected by the occurrence of a Disrupted Day (each an **Affected Underlying Equity**) shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Underlying Equity, unless each of the eight Scheduled Trading Days immediately following the Scheduled Initial Valuation Date is a Disrupted Day relating to the Affected Underlying Equity. In that case (i) that eighth Scheduled Trading Day shall be deemed to be the Initial Valuation Date for the Affected Underlying Equity, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine its good faith estimate of the value for the relevant Underlying Equity as of the Valuation Time on that eighth Scheduled Trading Day.

**Market Disruption Event** means in respect of an Underlying Equity, the occurrence or existence of (i) a Trading Disruption, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, (ii) an Exchange Disruption, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (iii) an Early Closure.

**Related Exchange** means, in respect of each Underlying Equity, the Borsa Italiana S.p.A. – The Italian Derivatives Markets (IDEM) any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Underlying Equity has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Underlying Equity on such temporary substitute exchange or quotation system as on the original Related Exchange).

**Relevant Price** means, in respect of an Underlying Equity and a Valuation Date or the Initial Valuation Date, the *prezzo di riferimento* per such Underlying Equity quoted by the relevant Exchange at the Valuation Time on the relevant Valuation Date or Initial Valuation Date, as the case may be, as determined by the Calculation Agent.

**Scheduled Closing Time** means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

**Scheduled Initial Valuation Date** means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been the Initial Valuation Date.

**Scheduled Trading Day** means, in respect of an Underlying Equity, any day on which the relevant Exchange and the relevant Related Exchange relating to such Underlying Equity are scheduled to be open for trading for their respective regular trading session.

**Scheduled Valuation Date** means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date.

**Settlement Cycle** means, in respect of an Underlying Equity, the period of Clearance System Business Days following a trade in such Underlying Equity on the Exchange in which settlement will customarily occur according to the rules of such Exchange.

**Settlement Disruption Event** means, in respect of an Underlying Equity, an event beyond the control of anyone as a result of which the relevant Clearance System cannot clear the transfer of such Underlying Equity.

**Sunset Date** means

- (i) in respect of the First Valuation Date: 12 May 2011
- (ii) in respect of the Second Valuation Date: 11 May 2012
- (iii) in respect of the Third Valuation Date: 13 May 2013
- (iv) in respect of the Fourth Valuation Date: 13 May 2014
- (v) in respect of the Fifth Valuation Date: 13 May 2015

For the avoidance of doubt, these dates shall not be subject to adjustment.

**Trading Disruption** means, in respect of an Underlying Equity, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (i) relating to such Underlying Equity on the Exchange; or (ii) in futures or options contracts relating to the such Underlying Equity on any relevant Related Exchange.

**Valuation Date** means

- (i) in respect of the first Specified Interest Payment Date scheduled to fall on May 15<sup>th</sup> 2011, 6 May 2011 (the **First Valuation Date**)
- (ii) in respect of the second Specified Interest Payment Date scheduled to fall on May 15<sup>th</sup> 2012, 8 May 2012 (the **Second Valuation Date**)
- (iii) in respect of the third Specified Interest Payment Date scheduled to fall on May 15<sup>th</sup> 2013, 8 May 2013 (the **Third Valuation Date**)
- (iii) in respect of the fourth Specified Interest Payment Date scheduled to fall on May 15<sup>th</sup> 2014, 8 May 2014 (the **Fourth Valuation Date**)
- (iii) in respect of the fifth Specified Interest Payment Date scheduled to fall on May 15<sup>th</sup> 2015, 8 May 2015 (the **Fifth Valuation Date**)

or if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, unless such day is a Disrupted Day, provided that where a Valuation Date would, but for this provision, fall after the Sunset Date, such Valuation Date will fall on the Sunset Date and provisions stated below will apply.

If a Valuation Date is a Disrupted Day then the Valuation Date for each Underlying Equity not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Underlying Equity affected by the occurrence of a Disrupted Day (each an **Affected Underlying Equity**) shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Underlying Equity, unless each of the eight Scheduled Trading Days immediately following the relevant Scheduled Valuation Date (or, if earlier, each of the Scheduled Trading Days up to and including the relevant Sunset Date) is a Disrupted Day relating to the Affected Underlying Equity. In that case (i) that eighth Scheduled Trading Day (or, if earlier, the Sunset Date) shall be deemed to be the relevant Valuation Date for the Affected Underlying Equity, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine its good faith estimate of the value for the relevant Underlying Equity as of the Valuation Time on that eighth Scheduled Trading Day or, if earlier, on the relevant Sunset Date.

**Valuation Time** means, in respect of an Underlying Equity, the Scheduled Closing Time of the relevant Exchange.

## Annex 2

*(This Annex 2 forms part of the Final Terms to which it is attached)*

### **ADJUSTMENTS TO THE FORMULA FOLLOWING MERGER EVENT, TENDER OFFER, NATIONALISATION, INSOLVENCY, DE-LISTING, DEMERGER**

If a Merger Event, Tender Offer, Nationalisation, Insolvency, De-Listing or Demerger occur:

(A) in case of a Merger Event, and where the consideration for the relevant Underlying Equity consists (or, at the option of the holder of such Underlying Equity, will consist) solely of New Shares, the New Shares and the issuer thereof will be deemed to be the relevant Underlying Equity and the relevant Equity Issuer, and the Calculation Agent, if necessary, will adjust any relevant terms of the Notes provided however that: (i) no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the relevant Underlying Equity and (ii) in case of Merger Event between two or more Underlying Equities, the substitution provisions detailed below shall apply in respect of the Underlying Equity/ies subject to that Merger Event except for one Underlying Equity determined by the Issuer

(B) in case of a Demerger, such that there is one or more resulting Underlying Equities, only one such Underlying Equity shall be represented in the Basket (as selected by the Calculation Agent following the declaration by the Issuer of the terms of such Demerger Event).

(C) in case of Tender Offer, Nationalisation, Insolvency, De-Listing or Merger (where (A) above does not apply), the Underlying Equity subject to the Tender Offer, Nationalisation, Insolvency, De-Listing or Merger (the “**Affected Underlying Equity**”) shall be substituted by the Substitute Underlying Equity, whereupon the Substitute Underlying Equity shall be deemed to be an Underlying Equity and its issuer an Equity Issuer and the Calculation Agent shall make such adjustments to the terms of the Notes that it determines are necessary in order to preserve the economic value of the Notes. Such adjustments may include (but are not limited to) adjusting the Relevant Price on the Initial Valuation Date of the Substitute Underlying Equity to reflect the performance of the Affected Underlying Equity from the Initial Valuation Date to the Event Date, in accordance with the following:

$$\text{Share}_{i0} = \text{SubstitutePrice} \times \frac{\text{AffectedShare}_{\text{initial}}}{\text{AffectedShare}_{\text{final}}}$$

where,

“Share<sub>i0</sub>” means the adjusted Relevant Price on the Initial Valuation Date of the Substitute Underlying Equity;

“Substitute Price” means the Relevant Price of the Substitute Underlying Equity on the Event Date, as determined by the Calculation Agent;

“Affected Share<sub>initial</sub>” means the original Relevant Price on the Initial Valuation Date of the Affected Underlying Equity;

“Affected Share<sub>final</sub>” means the Relevant Price of the Affected Underlying Equity on the Event Date, as determined by the Calculation Agent;

“Event Date” means the date on which the substitution is effected.

In case there is more than one Affected Underlying Equity in respect of a Merger Event, the Calculation Agent shall select one of the Affected Underlying Equities in order to determine the Affected Share<sub>initial</sub> and Affected Share<sub>final</sub>.

“Substitute Underlying Equity”: means a share determined by the Calculation Agent which complies to the extent possible with the following two conditions:

1. the new share is listed, traded or publicly quoted on a primary exchange or quotation system located

in the same currency zone as the exchange or quotation system on which the Underlying Equity to be substituted is listed, traded or publicly quoted; and

2. the issuer of which has substantially the same activity as the Equity Issuer of the Underlying Equity to be substituted.

If more than one share complies with these conditions, the Calculation Agent will select that share which was, immediately before the occurrence of the event leading to the substitution, most similar with the Underlying Equity to be substituted in regard of the following criteria:

1. the credit rating of the new Equity Issuer; and
2. the implied volatility and liquidity of the new Underlying Equity.

**Merger Event, Tender Offer, Nationalisation, Insolvency, De-Listing** have the meaning ascribed to such terms in Annex 2 to the Terms and Conditions “Definitions applicable to Equity Linked Redemption Notes”.

**Demerger** means, in respect of any Underlying Equity, that the relevant Equity Issuer is affected by a demerger, including, without limitation, a spin-off, scissione or any other operation of a similar nature.