

**PROSPECTUS SUPPLEMENT DATED 14 OCTOBER 2011 TO THE PROSPECTUS DATED 2
AUGUST 2011**



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

WARRANT CERTIFICATE PROGRAMME

This Prospectus Supplement (the **Prospectus Supplement**) to the Prospectus (the **Prospectus**) dated 2 August 2011 which comprises a base prospectus constitutes a prospectus supplement for the purposes of article 13 of Chapter 1 of Part II of the Luxembourg Act dated 10 July 2005 on prospectuses for securities (the **Prospectus Act**) and is prepared in connection with the Warrant and Certificates Programme (the **Programme**) established by Banca IMI S.p.A. (the **Issuer**). Terms defined in the Prospectus have the same meaning when used in this Prospectus Supplement.

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

The Issuer accepts responsibility for the information contained in this Prospectus 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 Prospectus Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

RATINGS ANNOUNCEMENTS

On 21 September 2011 Standard and Poor's downgraded the Issuer's long term rating to A (from A+). On 27 September 2011 Fitch Ratings confirmed the Issuer's AA- long term debt rating and its F1+ short term debt rating and revised the outlook of the Issuer to negative from stable. On 5 October 2011 Moody's downgraded the Issuer's long-term rating to A2 (from Aa3) and revised the outlook to negative. On 11 October 2011 Fitch Ratings downgraded the Issuer's long-term rating to A (from AA-) and short-term rating to F1 (from F1+), and confirmed the negative outlook.

As such the following text shall be added under the heading "*Description of the Issuer*" on page 133 of the Prospectus, as new second, third, fourth, fifth and sixth paragraphs respectively:

"On 21 September 2011 Standard and Poor's downgraded the Issuer's long term rating to A (from A+). The short term rating remains unchanged at A1.

On 27 September 2011 Fitch Ratings confirmed the Issuer's AA- long term debt rating and its F1+ short term debt rating and revised the outlook of the Issuer to negative from stable.

On 5 October 2011 Moody's Investors Service downgraded the Issuer's long-term rating to A2 (from Aa3) and revised the outlook to negative. The Issuer's P-1 short-term rating and C- Bank Financial Strength Rating were confirmed.

On 11 October 2011 Fitch Ratings downgraded the Issuer's long-term rating to A (from AA-) and short-term rating to F1 (from F1+), and confirmed the negative outlook.

Standard & Poor's, Moody's and Fitch Ratings are established in the European Union and have applied for registration under Regulation (EC) No. 1060/2009 (as amended), although notification of the corresponding registration decision has not yet been provided by the relevant competent authority and they are not included in the list of credit agencies published by the European Securities and Markets Authority in accordance with such Regulation."

TAXATION

The section entitled "Taxation in the Republic of Italy" on pages 134 to 136 of the Prospectus shall be deleted in its entirety and replaced with the following text:

"Taxation in the Republic of Italy

The following is a summary of current Italian law and practise relating to the taxation of the Securities.

The statements herein regarding taxation are based on the laws in force in Italy as at the date of this Base Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Securities and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in Securities or commodities) may be subject to special rules.

Prospective investors of the Securities are advised to consult their own tax advisers concerning the overall tax consequences of their interest in the Securities.

*Law Decree No. 138 of 13 August 2011 (**Decree 138**), converted into law with amendments by Law No. 148 of 14 September 2011, published in the Official Gazette No.216 of 16 September 2011, reformed the taxation of financial instruments, including the Securities, as further described below.*

The new rules will be effective as of 1 January 2012, and may be based on future law provisions and/or clarifications.

In the near future, the Italian tax authorities may further amend or clarify the tax treatment of income and capital gains on Securities, as recently amended by Decree 138.

Italian taxation of the Securities

Pursuant to Article 67 of Presidential Decree No. 917 of 22 December 1986 and Legislative Decree No. 461 of 21 November 1997, as subsequently amended, where the Italian resident Securityholder is (i) an individual not engaged in an entrepreneurial activity to which the Securities are connected, (ii) a non-commercial partnership, (iii) a non-commercial private or public institution, or (iv) an investor exempt from Italian corporate income taxation, capital gains accrued under the sale or the exercise of the Securities are subject to a 12.5% (20 per cent. for capital gains realised as of or following 1 January 2012) substitute tax (*imposta sostitutiva*). The recipient may opt for three different taxation criteria:

- (1) Under the tax declaration regime (*regime della dichiarazione*), which is the default regime for Italian resident individuals not engaged in an entrepreneurial activity to which the Securities are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised by the Italian resident individual holding the Securities not in connection with an entrepreneurial activity pursuant to all sales or redemptions of the Securities carried out during any given tax year.

Italian resident individuals holding the Securities not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years. Capital losses realised before 1 January 2012 may be carried forward to be offset against subsequent capital gains of the same nature for an overall amount of 62.5 per cent. of the relevant capital losses.

(2) As an alternative to the tax declaration regime, Italian resident individuals holding the Securities not in connection with an entrepreneurial activity may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Securities (the "*risparmio amministrato*" regime). Such separate taxation of capital gains is allowed subject to (i) the Securities being deposited with Italian banks, SIMs or certain authorised financial intermediaries and (ii) an express election for the *risparmio amministrato* regime being timely made in writing by the relevant Securityholder. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Securities (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Securityholder or using funds provided by the Securityholder for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of the Securities results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same Securities management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the Securityholder is not required to declare the capital gains in the annual tax return. Capital losses realised before 1 January 2012 may be carried forward to be offset against subsequent capital gains of the same nature for an overall amount of 62.5 per cent. of the relevant capital losses.

(3) Any capital gains realised by Italian resident individuals holding the Securities not in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including the Securities, to an authorised intermediary and have opted for the so-called "*risparmio gestito*" regime will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 12.5 per cent. (20 per cent. for increase in value accrued as of or following 1 January 2012) substitute tax, to be paid by the managing authorised intermediary. Under this *risparmio gestito* regime, any depreciation of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Under the *risparmio gestito* regime, the Securityholder is not required to declare the capital gains realised in the annual tax return. Depreciation of the assets managed under the *risparmio gestito* regime accrued before 1 January 2012 may be carried forward to be offset against subsequent increase in value for an overall amount of 62.5 per cent. of the relevant depreciation.

Where an Italian resident Securityholder is a company or similar commercial entity, or the Italian permanent establishment of a foreign commercial entity to which the Securities are effectively connected, capital gains arising from the Securities will not be subject to *imposta sostitutiva*, but must be included in the relevant Securityholder's income tax return and are therefore subject to Italian corporate tax.

Capital gains realised by non-Italian resident Securityholders are not subject to Italian taxation, provided that the Securities (i) are transferred on regulated markets, or (ii) are held outside of Italy.

Atypical securities

According to a certain interpretation of Italian fiscal law there is a possibility that, on the basis of certain features of the Securities, the Securities would be qualified for tax purposes as atypical securities and will be subject to the provisions of Article 5 of Law Decree No. 512 of 30 September 1983. As a consequence, payments relating to these Securities shall be subject to withholding tax levied at a rate of 27 per cent. (final or on account depending on the "status" and tax residence of the Securityholder). Where the Security holder is (i) an Italian individual engaged in an entrepreneurial activity to which the Securities are connected, (ii) an Italian company or a similar commercial entity, (iii) a permanent establishment in Italy of a foreign entity to which the Securities are effectively connected, (iv) an Italian commercial partnership or (v) an Italian commercial private or public institution, such withholding tax is a provisional withholding tax. In all other cases the withholding tax is a final withholding tax. As of 1 January 2012, pursuant to Decree 138, the withholding tax will be applied at a rate of 20 per cent.

Implementation in Italy of the EU Savings Directive

Italy has implemented the EU Savings Directive through Legislative Decree No. 84 of 18 April 2005 (**Decree No. 84**). Under Decree No. 84, subject to a number of important conditions being met, in the case of interest paid to individuals which qualify as beneficial owners of the interest payment and are resident for tax purposes in another Member State, Italian paying agents (i.e. banks, *società di intermediazione mobiliare* (SIM), fiduciary companies, *società di gestione del risparmio* (SGR) resident for tax purposes in Italy, Italian permanent establishments of non-Italian resident persons and any other Italian entity paying interest for professional or business reasons) and shall report to the Italian Tax Authorities details of the relevant payments and personal information on the individual beneficial owner and shall not apply the withholding tax. Such information is transmitted by the Italian Tax Authorities to the competent foreign tax authorities of the State of residence of the beneficial owner."

GENERAL

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

Copies of the Prospectus and this Programme Supplement will be available on the website of the Luxembourg Stock Exchange at www.bourse.lu.

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

In accordance with Article 13 paragraph 2 of the Prospectus Act, investors who have agreed to purchase or subscribe for the Securities before the Prospectus Supplement is published have the right, exercisable before the end of the period of two working days beginning with the working day after the date on which this Prospectus Supplement was published, to withdraw their acceptances.

14 October 2011

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