



**FIRST SUPPLEMENT DATED 1 DECEMBER 2020  
TO THE BASE PROSPECTUS DATED 1 OCTOBER 2020**

**Illimity Bank S.p.A.**

**€3,000,000,000**

**EURO MEDIUM TERM NOTE PROGRAMME**

This first supplement (the "**Supplement**") to the base prospectus dated 1 October 2020 (the "**Base Prospectus**"), constitutes a supplement for the purposes of Article 23.1 of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"), and is prepared in connection with the €3,000,000,000 Euro Medium Term Note Programme (the "**Programme**") of illimity Bank S.p.A. (the "**Issuer**"). This document is supplemental to, and should be read in conjunction with, the Base Prospectus and, in connection with any issue of securities thereunder, with the relevant Final Terms. Therefore, with respect to issues under the Base Prospectus, references in the Final Terms to the Base Prospectus are to be read as references to the Base Prospectus as amended and supplemented. Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

This Supplement has been approved by the Central Bank of Ireland, as competent authority under Prospectus Regulation. The Central Bank of Ireland has only approved the Supplement as meeting the standards of completeness, comprehensibility and consistency imposed by Prospectus Regulation. Such approval should not be considered as an endorsement of the quality of the securities issued under the Programme and investors should make their own assessment as to the suitability of investing in the securities issued under the Programme.

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

With effect from the date of this Supplement the information appearing in, or incorporated by reference into, the Base Prospectus shall be deemed amended and/or supplemented in the manner described below. References to page numbers are to the pages of the Base Prospectus.

**PURPOSE OF THE SUPPLEMENT**

This Supplement has been prepared pursuant to Article 23.1 of the Prospectus Regulation in order to (1) update the front page of the Base Prospectus, (2) update the section of the Base Prospectus entitled "*Risk Factors*", (3) update the section of the Base Prospectus entitled "*Information Incorporated by Reference*", (4) update the section of the Base Prospectus entitled "*Description of the Issuer – illimity 2020 –half-yearly highlights*", and (5) update the section of the Base Prospectus entitled "*Significant or Material Change*".

**AMENDMENTS AND ADDITIONS TO THE BASE PROSPECTUS**

**1. Front Page**

The following shall be inserted after the last paragraph on the front page of the Base Prospectus:

*“The Issuer has been rated “B+” with Stable Outlook by Fitch Ratings Ireland Limited (**Fitch**). Fitch is established in the EEA and is registered under the Regulation (EC) No. 462/2013 (the **CRA Regulation**). Fitch is included in the list of credit ratings agencies published by the European Securities and Markets Authority (**ESMA**) on its website (at <https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) in accordance with the CRA Regulation. Notes issued under the Programme may be rated or unrated by any one or more of the rating agencies referred to above. Where a tranche of Notes is rated, such rating will be disclosed in the Final Terms and will not necessarily be the same as the rating assigned to the Programme by the relevant rating agency. **A security rating and an issuer's corporate rating are not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.**”*

## **2. Risk Factors**

By virtue of this Supplement, in the section “*Risk Factors*” the paragraph “*Risks connected to the absence of credit ratings*” on page 18 shall be deleted in its entirety and replaced with the following:

### **Risks related to a downgrade of any of illimity’s credit ratings**

*The financial strength and issuer credit ratings assigned to illimity express the rating agencies’ opinion regarding the institutions’ creditworthiness and are a determining factor in influencing public confidence in the Group’s business. Credit ratings are subject to change, suspension or withdrawal at any time by rating agencies. A downgrade, or the potential for such a downgrade, to the financial strength or issuer credit ratings assigned to illimity may have an adverse impact on its financial position and client portfolio retention. A downgrade of illimity’s credit rating may have a negative effect on its ability to raise capital through the issuance of debt, increase the cost of such financing, reduce customers’ and trading counterparties’ confidence and impact profitability and competitiveness. In addition, ratings assigned by the credit rating agencies may not reflect the potential impact of all risks related to the Issuer.*

## **3. Information Incorporated by Reference**

The following shall be inserted after paragraph (e) of the Documents Incorporated by Reference section on page 49 of the Base Prospectus.

*“(f) The consolidated interim report of illimity Bank as of 30 September 2020 (the “**illimity Bank 3Q Consolidated Interim Report**”), which can be found on the website of Euronext Dublin at [https://www.ise.ie/debt\\_documents/Illimity\\_3Q2020\\_ENG\\_2ac35f4c-ddb7-43ac-a4be-4f8b1e3563e2.pdf](https://www.ise.ie/debt_documents/Illimity_3Q2020_ENG_2ac35f4c-ddb7-43ac-a4be-4f8b1e3563e2.pdf)”;*

*“(g) The Issuer investor presentation entitled “Company Presentation” dated November 2020 (the “**Investor Presentation November 2020**”) which can be found on the website of Euronext Dublin at [https://www.ise.ie/debt\\_documents/Fixed%20Income%20Presentation%20v23\\_08b22231-32b0-46b7-97fc-d3408febb2e0.pdf](https://www.ise.ie/debt_documents/Fixed%20Income%20Presentation%20v23_08b22231-32b0-46b7-97fc-d3408febb2e0.pdf)”;*

By virtue of this Supplement, the illimity Bank 3Q Consolidated Interim Report and the Investor Presentation November 2020 have been filed with the Central Bank of Ireland, are incorporated by reference in, and form part of, the Base Prospectus.

#### **4. illimity 2020 –yearly highlights**

The paragraph entitled “**illimity 2020 –half-yearly highlights**” in the section “*Description of the Issuer*” found on page 173 of the Base Prospectus, by virtue of this Supplement, is renamed “illimity 2020 –yearly highlights”.

The following paragraphs shall be included after the last paragraph contained in the section “*Description of the Issuer – illimity 2020 –yearly highlights*” found on page 173 of the Base Prospectus:

*On 21 October 2020, the Issuer announced that it has finalized a purchase from UniCredit S.p.A. of a non-performing loans portfolio for a total gross nominal value of approximately 692 million euro (gross book value). In line with illimity strategy in terms of type of debtors, the new portfolio consists solely of loans from corporate borrowers, guaranteed by real estate assets.*

*On 3 November 2020 – illimity has concluded a financing operation to support the growth plan of Citieffe s.r.l., owned by Medistream Group.*

*On 11 November 2020 the Board of Directors of the Issuer approved the results at 30 September 2020.*

*On 11 November 2020 – illimity announced a purchase from UniCredit S.p.A. of a portfolio of Unlikely To Pay receivables (“UTP”) for a total gross nominal value of approximately Euro 153 million (gross book value). The purchase announced on 11 November 2020 represents the second tranche of a total transaction worth Euro 600 million of gross book value, which is being completed progressively (after a first tranche finalised at the end of October 2020 amounting to 81 million euro) and mainly consists of loans classified as UTP with an average credit size of about Euro 1.3 million owed solely by approximately 450 corporate borrowers and active in various sectors including notably food & beverage, energy & utilities, real estate and construction. Once this transaction is completed, the total gross book value of distressed loans acquired from illimity will rise to 7.7 billion euro, of which 1.7 billion euro related to UTP exposures.*

*On 21 November 2020 the ordinary and extraordinary Shareholders’ Meeting has been convened to be held on 22 December 2020, in single call, to resolve on the following Agenda: (A) in ordinary session: report on remuneration policy; (B) in extraordinary session: increase in share capital (i) against payment, in inseparable form and without entitlement to the option right pursuant to article 2441, paragraph 4, first sentence, of the Italian civil code, in the total amount of EUR 44,670,596.42 (including share premium), through (i) the issue of 5,358,114 ordinary illimity shares, with no par value, to be settled in kind by way of the contribution of the holdings representing 37.66% of the share capital of Hype S.p.A. and (ii) the possible issue of 1,034,170 ordinary illimity shares and a further 1,063,717 ordinary illimity shares, in relation to the contribution in kind, with no par value, by way of an earn-out upon achievement of performance objectives; granting of powers to the Board of Directors pursuant to Article 2443 of the Italian civil code that may be exercised upon the occurrence of certain specific conditions; and (ii) against payment, in inseparable form and excluding entitlement to the option right pursuant to*

*Article 2441, paragraph 5, of the Italian civil code, in the total amount of EUR 16,544,676.46 (including share premium), through the issue of 1,984,488 ordinary illimity shares, with no par nominal value, to be paid in cash and reserved to Banca Sella Holding S.p.A.*

*On 25 November 2020 - illimity has completed a financing operation worth 10 million euro to support the growth plans of Amut S.p.A., a leader in the field of plastic processing machinery.*

## **5. Significant or Material Change**

The paragraph entitled “*Significant or Material Change*” found on page 196 of the Base Prospectus shall be deleted in its entirety and replaced with the following:

*“There has been no significant change in the financial position of the illimity Group and no significant change in the financial performance of the illimity Group since 30 September 2020 and there has been no material adverse change in the prospects of the Issuer since 31 December 2019.”*

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Copies of this Supplement and the document incorporated by reference will be available without charge (i) at the registered office of the Issuer and from the specified office of the Paying Agents, and (ii) on the website of the Issuer (<https://www.illimity.com>).

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to the information included in the Base Prospectus since the publication of the Base Prospectus. To the extent that there is any inconsistency between (i) any statement in this Supplement including any statement incorporated by reference into the Base Prospectus by this Supplement, and (ii) any other statement in or incorporated by reference into the Base Prospectus, the statements in this Supplement will prevail.