

## **TREASURY CERTIFICATES INDEXED TO 6 MONTH- EURIBOR (CCTS-*eu*)**

CCTS-*eu* are floating rate securities typically with a 7 year maturity. Interest is paid with semi-annual coupons in arrears indexed to 6-month Euribor. Also the difference between the nominal value and the issue price accounts for the yield.

### ***CCTS-*eu* MAIN FEATURES***

<b>Currency</b>	Euro
<b>Maturity</b>	Normally 7 years
<b>Remuneration</b>	Floating semi-annual coupons in arrears indexed to 6-month Euribor (the reference rate value will be taken on the second business day before the first availability day of the corresponding coupon according to what is published on the page of the Reuters circuit EURIBOR01, at 11:00 a.m. CET, or from another source of equal rank in case the latter is not available. When also this other source is not available the 6 month EURIBOR of the first business day for which it is available, going backwards in time, will be used) plus spread and discount at issuance
<b>Settlement dates</b>	T+3 on the secondary market.
<b>Market conventions</b>	Actual/360 (Modified Following Business Day Convention) for the yield calculation and the accrued interest.
<b>Redemption</b>	At par, single payment on maturity.

### ***PRACTICAL INFORMATION ABOUT CCTS-*eu****

*Some useful information about the features and functionality of this instrument are outlined below.*

1. **INVESTING IN CCTS-*eu***
2. **INDEXATION**
3. **MINIMUM DENOMINATION**
4. **MATURITY**

## 1. **INVESTING IN CCTS-*eu***

Treasury Certificates indexed to Euribor, as all floater bonds, grant an yield fairly in line with the market yields. Moreover, thanks to the indexation to Euribor, CCTs-*eu* offer a very efficient opportunity of protection (hedging) for investors, institutional and retails, whose liabilities are linked to the Euribor trend (as for mortgage loans usually indexed to Euribor).

Like other Government bonds, CCTs-*eu* are traded regularly on the electronic Government bond market (MOT) in limited quantities (for round lots of 1,000€ or multiples thereof) and on the electronic wholesale market of Government bonds (MTS) for trades worth not less than 2.5 million Euros. Furthermore, CCTs-*eu* can be traded on all others non regulated electronic platforms and on over the counters (OTC) markets.

Being securities subject to a book-entry system, subscribed CCT*eu* amounts are represented by the accounts registration in favour of the entitled.

## 2. **INDEXATION**

CCTs-*eu* are floating rate bonds with semi-annual coupons in arrears indexed to 6-month Euribor. The coupon calculation procedure takes into account the gross annual simple yield of the 6 month Euribor (rounded to the 3<sup>th</sup> decimals) observed on the second business day before the first accrual day of the corresponding coupon (according to what is published on the page of the Reuters circuit EURIBOR01, at 11:00 a.m. CET, or from another source of equal rank in case the latter is not available. When also this last source is not available, the 6 month EURIBOR of the first business day for which it is available, going backwards in time, will be used) and the spread – defined at the moment of issuance (and kept constant for the whole life of the bond) - is added. The 6 month coupon rate is determined multiplying the gross annual simple yield by the ratio between the actual days of the referring semester over 360 (Actual/360 Convention). The coupon amount will be calculated multiplying the gross 6 month coupon rate by the bond's face value, rounded to one euro cent. As far as the actual interest payment is concerned, there is a 6 month lag between the coupon definition and its payment.

## 3. **MATURITY**

Treasury Certificates indexed to Euribor have normally 7 year maturity with floating semi-annual coupon. However for during the introductory phase of the new instruments the Treasury can also choose different maturities not below 5 years.

*In the present context these bonds will be issued trough syndication. However, normally, the new instrument will issued through regular end-of-the-month auctions. The move to auction regime will be broadly communicated through all the usual information tools used by the Treasury*