

ITALIAN GOVERNMENT BONDS IN A NUTSHELL

The Ministry of the Economy and Finance sets out the issue, on the domestic market, of five categories of Government bonds available for both private and institutional investors:

- 1) **TREASURY BILLS (BOTs);**
- 2) **ZERO COUPON BONDS (CTZs);**
- 3) **TREASURY CERTIFICATES (CCTs / CCTs - eu);**
- 4) **TREASURY BONDS (BTPs);**
- 5) **TREASURY BONDS INDEXED TO EUROZONE INFLATION (BTP€is).**

Their characteristics are summarized in the following scheme: Single payment on maturity

| BOND | MATURITY | INTEREST | MINIMUM DENOMINATION | TYPE OF AUCTION | TAX RATE | REDEMPTION |
|-----------------------|--|--|----------------------|--|----------|------------------------------------|
| BOTs | 3/6/12 months, or any other maturity within one year (flexible BOTs) | Discount at issuance | € 1,000 | Competitive auction referred to yield | 12.50% | At par, single payment on maturity |
| CTZs | 24 months | Discount at issuance | € 1,000 | Marginal auction referred to price | 12.50% | At par, single payment on maturity |
| CCTs / CCTs-eu | 7 years | Floating semi-annual coupons in arrears plus spread and possible discount at issuance | € 1,000 | Marginal auction with discretionary determination of price and quantity issued | 12.50% | At par, single payment on maturity |
| BTP€i | 5/10/15/30 years | Semi-annual real coupons, possible discount at issuance and revaluation of principal at maturity | € 1,000 | Marginal auction with discretionary determination of price and quantity issued | 12.50% | Single payment on maturity |
| BTPs | 3/5/10/15/30 years | Semi-annual coupons and possible discount at issuance | € 1,000 | Marginal auction with discretionary determination of price and quantity issued | 12.50% | At par, single payment on maturity |

The Republic of Italy issues other instruments, in euro and in non euro currencies, generally subscribed by institutional investors, These issues are offered on international markets in the form of medium and long term securities or of commercial papers,