

BTP Valore

First issuance for the new family of government bonds dedicated to retail investors

Term Sheet

Issuer	Republic of Italy
Issuer ratings	Baa3/BBB/BBBh/BBB+ Moody's(neg)/S&P(stable)/Fitch(stable)/DBRS(stab)/Scope(stab)
Issuance announcement	May 8 th , 2023 with an Issuance Decree and a Press Release of the Ministry of Economy and Finance (MEF) where the characteristics of the bond are described
Structure	Nominal bond with semi-annual coupons set according to an increasing coupon rates progression (step up).
Step up coupon rates	They are the coupon rates to compute the semi-annual coupon payments. For the first 2 years there will be a rate "a" and for the last 2 years there will be a rate "b" with b>a. The guaranteed minimum coupon rates will be released before the placement period to help investors' investment choices. The definitive coupon rates will be set at the end of the placement period and may be confirmed or revised upward, according to market conditions
Maturity	4 years (13 th June 2027)
First accrual and settlement day	Tuesday 13 th June 2023
Principal redemption	The nominal principal is reimbursed in a bullet format at maturity, at the nominal (face) value
Issue price	100 (at par)
MOT placement period	5 business days of the Borsa Italiana calendar, from 5 th to 9 th June 2023, unless early closing
Persons¹ admitted	Individual investors and other persons similarly classified
Closing of the Placement	At 1 p.m. of 9 th June 2023, unless early closing. The early closing may take place not earlier than 5.30 p.m. of the third day of placement (7 th June). The irrevocable offers to purchase entered into the MOT within the date and time of the effectiveness of the closing, or of the early closing, will be met for the full amount of the contracts concluded on the MOT
Communication of the possible early closing	In the event of early closing in the third day of placement (7 th June) the communication will be given at the end of the second trading day (6 th June) or by 1.00 p.m. of the same third day. In the event of early closing during the fourth day of placement (8 th June), it will take place not before 2.00 p.m. and the relative communication will be given at the end of the previous trading day (7 th June). The relative press release, which will be given the broadest diffusion, will be issued simultaneously together by MEF and Borsa Italiana and it will be published in accordance with standard practices

¹ For a complete description of persons who can participate in the placement period, see the annex attached to this Term Sheet.

Placement on the MOT	Directly at par price on the MOT, the Borsa Italiana's screen-based market for securities and government bonds, through the four Dealers selected by the MEF among Specialists in Government bonds
How to purchase the bond by individual investors	Through the bank (whether it is a direct MOT participant or not) where the investor has her/his securities account, addressing the bank desk, via home banking (normally with trading function available), or at post office.
Minimum lot purchasable	Euro 1,000
Minimum lots	Euro 1,000
Information available to the market during the placement period	Issue price (at par) and the guaranteed annual minimum nominal coupon rates.
Fees to be paid by investors for participating to the placement	There are no fees to be borne by investors.
Fees to be paid by MEF to intermediaries only during placement period	0.5% on the total amount issued paid by MEF to intermediaries who provide investment services to the final investors in proportion to the amount of bids collected during the placement period and on the basis of the technical procedures set out in the Issuance Decree
Fees to be paid by MEF to Dealers and Co-Dealers	0.075% paid by the MEF on the nominal total issued amount based on the technical procedures set out in the Issuance Decree.
Dealers selected by the MEF among the Specialists in government bonds	Intesa Sanpaolo S.p.A. Unicredit S.p.A.
Co-Dealers selected by the MEF among participants in the MOT Market	Banca Akros S.p.A. Banca Sella Holding S.p.A.
Extra final fidelity bonus²	Only investors who purchase the bond during the placement period and hold it until the final maturity (13 th June 2027) will receive an extra final fidelity bonus equal to 0.5% of the invested capital
Listing	MOT (Borsa Italiana)
Liquidity on the secondary market	From the first accrual and settlement day, the bond will be tradable on the MOT and the liquidity will be guaranteed through the commitment of the Dealers and Co-Dealers, selected by the MEF among the most active participants in the MOT on the segment of Italian government bonds.
MOT trading fees starting from 13th June 2023	Set discretionally by the banks operating on the MOT.
Taxation treatment	12.5 per cent, as for all government securities.
Information about the issuance	The press releases concerning the issue and its results, together with all technical documentation, will be available on the website of the MEF (www.mef.gov.it) and on the website of the Public Debt Directorate of the Department of the Treasury (www.publicdebt.it).

² The detailed information about the extra final fidelity bonus for investors is available in the FAQs of BTP Futura on the website of the MEF (www.mef.gov.it) and on the website of the Public Debt Directorate of the Department of the Treasury (www.publicdebt.it).

Timing for the BTP Valore first issuance

Date	Event
Thursday, June 1st, 2023	MEF's drafting and publication of a Press Release and publication of the Issuance Decree which sets out the characteristics of the bond, announces the guaranteed annual minimum interest rates and the ISIN code of the bond.
Monday, June 5th, 2023	At 9.00 a.m. - Starting of the placement period on the MOT.
Tuesday, June 6th, 2023	Ore 9:00 – 17:30 – Seconda giornata di collocamento sul MOT
Wednesday, June 7th, 2023	9.00 a.m. – 5.30 p.m. – Third day of the placement period on the MOT and last guaranteed day of the placement, even with early closing. The decision of the MEF to exercise the faculty of early closing in the third day of placement will be given the broadest diffusion by both the MEF and Borsa Italiana with simultaneous press releases that will be issued around the closing time of the trading day before or by 1.00 p.m. of the same trading day.
Thursday, June 8th, 2023	9.00 a.m. – 5.30 p.m. – Fourth day of the placement period on the MOT, unless early closing. The decision of the MEF to exercise the faculty of early closing in the fourth day of placement (at 2.00 p.m.) will be given the broadest diffusion by both the MEF and Borsa Italiana with simultaneous press releases that will be issued around the closing time of the trading day before.
Friday, June 9th, 2023	At 1.00 p.m. - Closing of the placement period, unless early closing. After the closing, the MEF issues a Special Decree setting the definitive annual coupon rates and the final nominal amount issued. In case of early closing at 5.30 p.m. of the third or fourth day of the placement period, the series of the annual coupon rates and the final nominal amount issued will be set, through a Special Decree, in the morning of the following day.
Tuesday, June 13th, 2023	First accrual date/settlement ³ First day of trading on the MOT ⁴

³The settlement and first accrual dates coincide so as to prevent the subscriber from having to pay accrued interest/inflation in addition to the clean price.

⁴The settlement of the trades on the MOT secondary market is carried out two days after the trade date.

ANNEX

Tables with the list of the types of investors that can purchase the BTP Valore

PERSONS ADMITTED TO THE PLACEMENT
A) Natural persons, anyhow classified
B) Retail clients, with the exclusion of qualified counterparties and investors qualified as professional clients by law (referred to in Annex 3 of Regulation CONSOB n. 20307/2018, as amended). Retail clients treated as professional customers on request (referred to num. II in Annex 3 of Regulation CONSOB n. 20307/2018, as amended) are included herein, but they should be identified as retail clients in connection with the distribution of BTP Italia by the intermediary sending or submitting the purchase order or in any case prove their status as retail clients to the intermediary.
C) Asset management companies authorised to provide portfolio management services on behalf of investors under points A) and B) above
D) Intermediaries authorised to provide individual portfolio management services on behalf of investors under points A) and B) above.
E) Trust companies that provide portfolio management services, also through fiduciary registration, exclusively on behalf of investors under points A) and B) above.