

Credit Suisse International

(registered as an unlimited liability company in England and Wales under No. 2500199)

Series SPCSI 2010-513

Up to EUR 46,500,000 S&P BRIC 40 Index-linked Notes due April 2015

Issue Price: 100 per cent.

This document comprises two parts. Part One is a summary of the Registration Document and Securities Note (the “**Summary**”) and Part Two is a securities note (the “**Securities Note**”) both prepared for the purposes of Article 5.3 of Directive 2003/71/EC (the “**Prospectus Directive**”). The Summary and Securities Note contain information relating to the above Notes (the “**Securities**”). The Summary and Securities Note shall be read in conjunction with the registration document (the “**Registration Document**”) dated 23 February 2010 containing information in respect of Credit Suisse International (the “**Issuer**”), as prepared for the purposes of Article 5.3 of the Prospectus Directive. Together, the Registration Document, the Summary and the Securities Note comprise a “**prospectus**” (the “**Prospectus**”) for the Securities, prepared for the purposes of Article 5.1 of the Prospectus Directive.

Any person (an “**Investor**”) intending to acquire or acquiring any Securities from any person (an “**Offeror**”) should be aware that, in the context of an offer to the public as defined in section 102B of the Financial Services and Markets Act 2000 (“**FSMA**”), the Issuer may only be responsible to the Investor for the Prospectus under section 90 of FSMA if the Issuer has authorised the Offeror to make the offer to the Investor. Each Investor should therefore enquire whether the Offeror is so authorised by the Issuer. If the Offeror is not so authorised by the Issuer, the Investor should check with the Offeror whether anyone is responsible for the Prospectus for the purposes of section 90 of FSMA in the context of the offer to the public, and, if so, who that person is. If the Investor is in any doubt about whether it can rely on the Prospectus and/or who is responsible for its contents, it should take legal advice. **Where information relating to the terms of the relevant offer required pursuant to the Prospectus Directive is not contained in the Prospectus, it will be the responsibility of the relevant Offeror at the time of such offer to provide the Investor with such information.** This does not affect any responsibility which the Issuer may otherwise have under applicable laws.

25 February 2010

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

The previous paragraph should be read in conjunction with paragraph 2 on the first page of this Securities Note.

The delivery of this document at any time does not imply that any information contained herein is correct at any time subsequent to the date hereof.

The Issuer will not be providing any post issuance information in relation to the Securities.

This document has been filed with the Financial Services Authority in its capacity as competent authority under the UK Financial Services and Markets Act 2000 (the “**UK Listing Authority**”).

MPS Capital Services Banca per le Imprese S.p.A. has undertaken to the Issuer that it will apply for the Securities to be admitted to trading on the systematic internaliser (*sistema di internalizzazione sistematica*) named “De@IDone Trading” (“**DDT**”), managed solely by MPS Capital Services Banca per le Imprese S.p.A. acting as “exclusive dealer” (negoziatore unico).

The Issuer has requested the UK Listing Authority to provide the Commissione Nazionale per le Società e la Borsa (“**CONSOB**”) in the Republic of Italy (“**Italy**”) in its capacity as competent authority in Italy for the purposes of the Prospectus Directive, with a certificate of approval in accordance with Article 18 of the Prospectus Directive attesting that the Prospectus has been drawn up in accordance with the Prospectus Directive.

In connection with the issue and sale of the Securities, no person is authorised to give any information or to make any representation not contained in the Registration Document, the Summary or the Securities Note, and neither the Issuer nor the Dealer accepts responsibility for any information or representation so given that is not contained in the Registration Document or the Securities Note. The Prospectus does not constitute an offer of Securities, and may not be used for the purposes of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised, or to any person to whom it is unlawful to make such offer or solicitation and no action is being taken to permit an offering of the Securities or the distribution of the Prospectus in any jurisdiction where any such action is required except as specified herein.

The distribution of the Prospectus and the offering of the Securities in certain jurisdictions may be restricted by law. Persons into whose possession the Registration Document, the Summary or the Securities Note comes are required by the Issuer to inform themselves about, and to observe, such restrictions.

The Securities have not been and will not be registered under the U.S. Securities Act of 1933 (the “**Securities Act**”). Subject to certain exemptions, the Securities may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, U.S. persons. A further description of the restrictions on offers and sales of the Securities in the United States or to U.S. persons is set forth below under “Subscription and Sale”.

PART ONE

SUMMARY

Credit Suisse International

Series SPCSI 2010-513 Up to EUR 46,500,000 S&P BRIC 40 Index-linked Notes due April 2015 (the "Securities")

This summary must be read as an introduction to this Prospectus and any decision to invest in the Securities should be based on a consideration of the Prospectus as a whole, including the documents incorporated by reference. No civil liability in respect of this summary will attach to the Issuer in any Member State of the European Economic Area in which the relevant provisions of the Prospectus Directive have been implemented unless this summary, including any translation thereof, is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus. Where a claim relating to the information contained in this Prospectus is brought before a court in such a Member State, the plaintiff may, under the national legislation of that Member State, be required to bear the costs of translating the Prospectus before the legal proceedings are initiated.

Description of the Issuer

Credit Suisse International (the "**Issuer**") is incorporated in England and Wales under the Companies Act 1985, with registered no. 2500199 as an unlimited liability company. Its registered office and principal place of business is at One Cabot Square, London E14 4QJ. The Issuer is an English bank and is authorised and regulated as an EU credit institution by the Financial Services Authority ("**FSA**") under the Financial Services and Markets Act 2000. The FSA has issued a scope of permission notice authorising the Issuer to carry out specified regulated investment activities.

The Issuer is an unlimited liability company and, as such, its shareholders have a joint, several and unlimited obligation to meet any insufficiency in the assets of the Issuer in the event of its liquidation. The joint, several and unlimited liability of the shareholders of the Issuer to meet any insufficiency in the assets of the Issuer will only apply upon liquidation of the Issuer. Therefore, prior to any liquidation of the Issuer, holders of the Securities may only have recourse to the assets of the Issuer and not to those of its shareholders. Its shareholders are Credit Suisse Group AG, Credit Suisse AG and Credit Suisse (International) Holding AG.

The Issuer commenced business on 16 July 1990. Its principal business is banking, including the trading of derivative products linked to interest rates, equities, foreign exchange, commodities and credit. The primary objective of the Issuer is to provide comprehensive treasury and risk management derivative product services worldwide. The Issuer has established a significant presence in global derivative markets through offering a full range of derivative products and continues to develop new products in response to the needs of its customers and changes in underlying markets.

Description of the Securities

The Securities are euro denominated, equity index-linked variable interest rate notes to be issued by the Issuer on 30 April 2010 and due to mature on 30 April 2015 (the "**Maturity Date**"). The principal amount of each Security is EUR 1,000 and the maximum principal amount of the Securities is EUR 46,500,000. The issue price is 100 per cent. of the principal amount. Interest on each Security is payable on each Interest Payment Date (as defined below). In respect of the Interest Payment Dates from and including the Interest Payment Date falling on 30 October 2011 to and including the Maturity Date, the rate of interest payable is dependent on certain conditions being met (as described below) and if those

conditions are not met the rate of interest for the relevant Interest Payment Date will be zero. The redemption amount which will be paid to the investor on the Maturity Date is 100 per cent. of the principal amount.

The Securities may only be redeemed other than on the Maturity Date for reasons of default by the Issuer or the illegality of the Issuer's obligations under the Securities or its hedging arrangements in respect of the Securities. In such cases the early redemption amount which will be paid to the investor is the fair market value of the Security, as determined by the Issuer.

The Securities will be cleared through Euroclear and Clearstream, Luxembourg. The Securities may also be cleared through the bridge account of Monte Titoli S.p.A.

MPS Capital Services Banca per le Imprese S.p.A. has undertaken to the Issuer that it will apply for the Securities to be admitted to trading on the systematic internaliser (*sistema di internalizzazione sistematica*) named "De@IDone Trading" ("DDT"), managed solely by MPS Capital Services Banca per le Imprese S.p.A. acting as "exclusive dealer" (negoziatore unico).

Interest

The Securities will bear interest on their outstanding principal amount as follows:

In respect of the period from (and including) the Issue Date to (but excluding) the Interest Payment Date falling on 30 April 2011, the Securities will bear interest at a fixed rate of 3.00 per cent. per annum (such interest being paid semi-annually in arrear on the Interest Payment Dates falling on 30 October 2010 and 30 April 2011).

In respect of each Interest Period from (and including) the Interest Period beginning on the Interest Payment Date falling on 30 April 2011 to (but excluding) the Interest Period ending on the Maturity Date, (i) if the Barrier Condition is met on the Observation Date immediately preceding the Interest Payment Date upon which the relevant Interest Period ends, the Securities will bear interest for the relevant Interest Period at a floating rate equal to 6 month EURIBOR plus 1.00 per cent. per annum (such interest being paid on the Interest Payment Date at the end of the relevant Interest Period); or (ii) if the Barrier Condition is not met on such Observation Date, the Securities will not bear any interest for the relevant Interest Period. The Barrier Condition will be met if, on the relevant Observation Date, the Index Level is equal to or greater than 105 per cent. of the Index Level on the Strike Date.

"**Index**" means the S&P BRIC 40 (Price Return) Index;

"**Index Level**" has the meaning set out in the Asset Terms for Equity Index-linked Securities as set out in the Principal Base Prospectus.

"**Interest Payment Date**" means each 30 April and 30 October, from and including 30 October 2010 to and including the Maturity Date.

"**Interest Period**" means the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

"**Observation Date**" means 17 October 2011, 16 April 2012, 16 October 2012, 16 April 2013, 16 October 2013, 16 April 2014, 16 October 2014 and 16 April 2015;

"**Strike Date**" means 30 June 2010.

Please note that the full terms and conditions (being the General Terms and Conditions of Notes (English law) and the Asset Terms for Equity Index-linked Securities as set out in the Principal Base Prospectus, as supplemented by the Issue Specific Terms set out herein) contain provisions dealing with non-

business days, disruptions and adjustments that may affect the Index and the timing of calculations and payments under the Securities.

The Offer

The Securities will be offered in Italy only in accordance with applicable laws and regulations including the Legislative Decree of February 24, 1998, n. 58, as subsequently amended, (the “**Financial Services Act**”), its implementing CONSOB Regulation May 14, 1999, n. 11971, as amended (the “**Regulation**”), including Articles 9 and 11 of the Regulation, as well as Articles 14, 17 and 18 of the Prospectus Directive and in accordance with the Securities Note.

The offer period will be from 4 March 2010 to 27 April 2010 (except in the case of any door-to-door sales being made to investors located in Italy, when the offer period will end on 20 April 2010). The Securities will be offered to the public in the Republic of Italy. In connection with the offer MPS Capital Services Banca per le Imprese S.p.A. (“**MPSCS**”) will be acting as Lead Manager (*responsabile del collocamento*) pursuant to Article 93-bis of the Financial Services Act and Banca Monte dei Paschi di Siena SpA, Banca Antonveneta S.p.A. and Biverbanca Cassa di Risparmio di Biella e Vercelli S.p.A. will be acting as distributors (each a “**Distributor**”). Qualified Investors (*investitori qualificati*, as defined in Article 100 of Financial Services Act and Article 34-ter, first paragraph, letter b) of the Regulation) may be assigned only those Securities remaining after the allocation of all the Securities requested by the public in Italy during the offer period. The offer period may be discontinued at any time. The amount of the offer will be up to EUR 46,500,000. The Securities will be offered at the Issue Price (of which 3.60 per cent. is represented by a commission payable to MPSCS and the Distributors).

Prospective investors may apply to the Distributors to subscribe for Securities in accordance with the arrangements existing between the Distributors and their customers relating to the subscription of securities generally. The Securities will be made available on a delivery versus payment basis and will be issued on the Issue Date against payment by the Distributors.

Payment for the Securities by subscribers shall be made to the Distributors not later than 30 April 2010 for delivery of Securities to subscribers’ accounts on or around 30 April 2010.

The Issuer reserves the right to withdraw the offer and/or to cancel the issue of the Securities for any reason at any time on or prior to the Issue Date if any circumstance occurs which, in the Issuer’s opinion, may have a significant impact on the issue. If the Issuer considers it practicable to do so, the Issuer will consult with MPSCS prior to exercising such right to withdraw the offer or cancel the issue of the Securities. For the avoidance of doubt, if any application has been made by a potential investor and the Issuer exercises such a right, each such potential investor shall not be entitled to subscribe or otherwise purchase any Securities. The offers will be subject to the foregoing provisions. In case of withdrawal or cancellation, MPSCS and/or the Distributors will inform the investors that have already applied for the Securities by appropriate means (and also through a notice published on its website, if available) and repay the Offer Price and any commission paid by any subscriber without interest.

Risk Factors

The interest rate applicable to the Securities is a fixed rate (3.00 per cent. per annum) for the first year. For the remaining term, the Securities will bear interest (at a floating rate) only if the level of the Index is at or above a certain level on the relevant Observation Date. If the level of the Index is not at or above the specified level on the relevant Observation Date, no interest will be payable on the Securities for the relevant interest period. Prospective investors should be aware that there can be no assurance that (i) the level of the Index will be at or above the relevant level on any Observation Date; and (ii) even if the Index is at or above the relevant level on an Observation Date, that the floating rate of interest payable on the Securities will be equal to or greater than the initial fixed rate (and may be significantly lower).

The level of the Index may go down as well as up throughout the term of the Securities. Furthermore, the level of the Index at any specific date may not reflect its prior or future performance. There can be no assurance as to the future performance of the Index. Accordingly, before investing in the Securities, prospective investors should carefully consider whether an investment based on the performance of the Index is suitable for them.

If the Securities fall due for early redemption (for reasons of default by the Issuer or illegality), holders of the Securities will be entitled to receive in respect of each Security held by them an amount equal to the fair market value of such Security (as determined by the Issuer). The fair market value of a Security may be less than its outstanding principal amount (plus accrued interest, if any).

The Securities involve complex risks, which include, among other things, credit risks, interest rate risks, inflation risks and/or political risks.

It is not possible to predict the price at which Securities will trade in the market or whether such market will be liquid or illiquid. The Issuer may, but is not obliged to, purchase Securities at any time at any price in the open market or by tender or private treaty. Any Securities so purchased may be held or resold or surrendered for cancellation. The market for Securities may be limited and neither the Issuer nor the Distributor intends to provide a market for the Securities. The only way in which a holder can realise value from a Security prior to maturity is to sell it at its then market price in the market, which may be less than the amount initially invested.

Fluctuations in the prices of the items comprised in the Index and in the levels of the Index may affect the value of the Securities.

Accordingly, an investment in the Securities is only suitable for investors who (either alone or in conjunction with an appropriate financial adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom.

The levels and basis of taxation on the Securities and any reliefs from such taxation can change at any time. The value of any tax reliefs will depend on an investor's individual circumstances. The tax and regulatory characterisation of the Securities may change over the life of the Securities. This could have adverse consequences for investors.

The Issuer reserves the right to withdraw the offer and/or cancel the issuance of the Securities for any reason at any time on or prior to the Issue Date. If the Issuer considers it practicable to do so, the Issuer will consult with MPSCS prior to exercising such right to withdraw the offer or cancel the issue of the Securities. For the avoidance of doubt, if any application has been made by a potential investor and the Issuer exercises such a right, each such potential investor shall not be entitled to subscribe or otherwise purchase any Securities. Any payments made by an applicant investor for Securities that are not issued to such applicant investor for any such reason will be refunded. However, there will be a time lag in making any reimbursement, no interest will be payable in respect of any such amounts and the applicant investor may be subject to reinvestment risk.

Prospective investors should be aware that MPS Capital Services Banca per le Imprese S.p.A ("**MPSCS**") acts in multiple capacities in relation to the Securities and potential conflicts of interest may arise between MPSCS's interests in these capacities and the interests of prospective investors.

MPSCS acts as Lead Manager of the offering of the Securities, and will arrange for the Securities to be offered through the Distributors. MPSCS and the Distributors are part of the same banking group (MPS Group). There may be a conflict between the interests of MPSCS and the Distributors (on the one hand) and the interests of prospective investors (on the other) in relation to the issue and distribution of the Notes. In this regard prospective investors should be aware that the Issuer has agreed to pay MPSCS a management fee, and to pay the Distributors (through MPSCS) a selling fee, in each case calculated on the basis of the notional amount of the Securities placed (see "Subscription and Sale" for more

information). Prospective investors should also be aware that MPSCS acts as the counterparty to the hedging agreement entered into by the Issuer in connection with the Securities and may benefit from this arrangement.

With respect to the trading of the Securities through DDT, it should be noted that DDT is managed solely by MPSCS and that MPSCS will act as exclusive dealer in respect of any trades in the Securities through DDT (for which MPSCS may derive a benefit).

Before making any investment decision with respect to the Securities, any prospective investors should consult their own financial, tax or other advisers as they consider necessary and carefully review and consider such an investment decision in the light of the foregoing and their personal circumstances.

PART TWO

SECURITIES NOTE

Terms defined in the General Terms and Conditions of Notes (English law) set out in the Principal Base Prospectus (the “**General Conditions**”) have the same meaning herein unless otherwise defined in the Issue Specific Terms.

In the event of any inconsistency between the Issue Specific Terms and the General Conditions, the Issue Specific Terms will prevail.

DOCUMENTS INCORPORATED BY REFERENCE

This Securities Note should be read and construed in accordance with the following documents which shall be deemed to be incorporated in, and form part of, this Prospectus.

The following sections of the Issuer's Base Prospectus dated 22 July 2009 relating to its Structured Products Programme for the issuance of Notes, Certificates and Warrants that has been approved by the UK Listing Authority (the "**Principal Base Prospectus**") are incorporated by reference and form part of this Prospectus:

- (i) Risk Factors (pages 10 to 13 inclusive);
- (ii) General Terms and Conditions of Notes (English law) (pages 15 to 29 inclusive);
- (iii) Summary of Provisions relating to Notes while in Global Form (page 30);
- (iv) Asset Terms (Equity Index-Linked Securities) (pages 110 to 114 inclusive);
- (v) The Underlying Assets (page 144);
- (vi) Taxation (pages 198 to 201 inclusive); and
- (vii) General Information (page 206 to 207 inclusive).

RISK FACTORS

The risk factors set out below should be read in addition to the risk factors set out on pages 10 to 13 (inclusive) of the Principal Base Prospectus and page 5 of the Registration Document. Such risk factors are risk factors that are material to the Securities in order to assess the market risk associated with them or which may affect the Issuer's ability to fulfil its obligations under them.

The interest rate applicable to the Securities is a fixed rate (3.00 per cent. per annum) for the first year. For the remaining term, the Securities will bear interest (at a floating rate) only if the level of the Index is at or above a certain level on the relevant Observation Date. If the level of the Index is not at or above the specified level on the relevant Observation Date, no interest will be payable on the Securities for the relevant interest period. Prospective investors should be aware that there can be no assurance that (i) the level of the Index will be at or above the relevant level on any Observation Date; and (ii) even if the Index is at or above the relevant level on an Observation Date, that the floating rate of interest payable on the Securities will be equal to or greater than the initial fixed rate (and may be significantly lower).

The level of the Index may go down as well as up throughout the term of the Securities. Furthermore, the level of the Index at any specific date may not reflect its prior or future performance. There can be no assurance as to the future performance of the Index. Accordingly, before investing in the Securities, prospective investors should carefully consider whether an investment based on the performance of the Index is suitable for them.

If the Securities fall due for early redemption (for reasons of default by the Issuer or illegality), holders of the Securities will be entitled to receive in respect of each Security held by them an amount equal to the fair market value of such Security (as determined by the Issuer). The fair market value of a Security may be less than its outstanding principal amount (plus accrued interest, if any).

The Securities involve complex risks, which include, among other things, credit risks, interest rate risks, inflation risks and/or political risks.

It is not possible to predict the price at which Securities will trade in the market or whether such market will be liquid or illiquid. The Issuer may, but is not obliged to, purchase Securities at any time at any price in the open market or by tender or private treaty. Any Securities so purchased may be held or resold or surrendered for cancellation. The market for Securities may be limited and neither the Issuer nor the Distributor intends to provide a market for the Securities. The only way in which a holder can realise value from a Security prior to maturity is to sell it at its then market price in the market, which may be less than the amount initially invested.

Fluctuations in the prices of the items comprised in the Index and in the levels of the Index may affect the value of the Securities.

Accordingly, an investment in the Securities is only suitable for investors who (either alone or in conjunction with an appropriate financial adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom.

The levels and basis of taxation on the Securities and any reliefs from such taxation can change at any time. The value of any tax reliefs will depend on an investor's individual circumstances. The tax and regulatory characterisation of the Securities may change over the life of the Securities. This could have adverse consequences for investors.

The Issuer reserves the right to withdraw the offer and/or cancel the issuance of the Securities for any reason at any time on or prior to the Issue Date. If the Issuer considers it practicable to do so, the Issuer will consult with MPSCS prior to exercising such right to withdraw the offer or cancel the issue of the Securities. For the avoidance of doubt, if any application has been made by a potential investor and the

Issuer exercises such a right, each such potential investor shall not be entitled to subscribe or otherwise purchase any Securities. Any payments made by an applicant investor for Securities that are not issued to such applicant investor for any such reason will be refunded. However, there will be a time lag in making any reimbursement, no interest will be payable in respect of any such amounts and the applicant investor may be subject to reinvestment risk.

Prospective investors should be aware that MPS Capital Services Banca per le Imprese S.p.A ("**MPSCS**") acts in multiple capacities in relation to the Securities and potential conflicts of interest may arise between MPSCS's interests in these capacities and the interests of prospective investors.

MPSCS acts as Lead Manager of the offering of the Securities, and will arrange for the Securities to be offered through the Distributors. MPSCS and the Distributors are part of the same banking group (MPS Group). There may be a conflict between the interests of MPSCS and the Distributors (on the one hand) and the interests of prospective investors (on the other) in relation to the issue and distribution of the Notes. In this regard prospective investors should be aware that the Issuer has agreed to pay MPSCS a management fee, and to pay the Distributors (through MPSCS) a selling fee, in each case calculated on the basis of the notional amount of the Securities placed (see "Subscription and Sale" for more information). Prospective investors should also be aware that MPSCS acts as the counterparty to the hedging agreement entered into by the Issuer in connection with the Securities and may benefit from this arrangement.

With respect to the trading of the Securities through DDT, it should be noted that DDT is managed solely by MPSCS and that MPSCS will act as exclusive dealer in respect of any trades in the Securities through DDT (for which MPSCS may derive a benefit).

Before making any investment decision with respect to the Securities, any prospective investors should consult their own financial, tax or other advisers as they consider necessary and carefully review and consider such an investment decision in the light of the foregoing and their personal circumstances.

ISSUE SPECIFIC TERMS

The Securities will be subject to the General Terms and Conditions of Notes (English law) and Asset Terms for Equity Index-linked Securities set out in the Principal Base Prospectus and also to the following provisions. References in such General Terms and Conditions of Notes (English law) and Asset Terms to the Final Terms shall be to these provisions. In the case of a discrepancy or conflict with such General Terms and Conditions of Notes (English law) or Asset Terms, the following provisions shall prevail.

1	Series Number:	SPCSI 2010-513
2	Tranche Number:	Not Applicable
3	Applicable General Terms and Conditions:	Notes - English law
4	Specified Currency:	euro
5	Aggregate Nominal Amount:	Up to EUR 46,500,000
6	Issue Price:	100 per cent. of the Aggregate Nominal Amount
7	Specified Denomination:	EUR 1,000
8	Issue Date:	30 April 2010
9	Maturity Date:	30 April 2015
10	Interest Basis:	The Securities are Variable Rate Securities (paying a Fixed Rate of Interest or a Variable Rate of Interest depending on the Interest Period, as further specified below)
11	Premium Basis:	Not Applicable
12	Redemption Basis:	Redemption at par (subject to paragraph 18 – Early Redemption Amount)
13	Put/Call Options:	Not Applicable

PROVISIONS RELATING TO INTEREST

14	Fixed Rate Provisions	Applicable in respect of the period from (and including) the Issue Date to (but excluding) the Interest Payment Date falling on 30 April 2011
	(i) Rate of Interest:	3.00 per cent. per annum
	(ii) Interest Commencement Date:	Issue Date
	(iii) Interest Payment Date(s):	30 October 2010 and 30 April 2011
	(iv) Fixed Interest Amount:	Not Applicable
	(v) Broken Amount:	Not Applicable
	(vi) Day Count Fraction:	Actual/Actual – ICMA
	(vii) Determination Date:	30 April and 30 October in each year
	(viii) Other terms relating to the method of calculating interest for Fixed Rate Securities:	Not Applicable
15	Variable Rate Provisions	Applicable in respect of the period from (and

including) the Interest Payment Date falling on 30 April 2011 to (but excluding) the Maturity Date.

(i) Rate of Interest:

The Rate of Interest applicable for each Interest Period shall be determined as follows:

- (i) If the Barrier Condition (as set out in the Schedule below) is met on the relevant Observation Date, a rate per annum equal to the sum of the Floating Rate (which cannot be less than zero) plus the Margin; and
- (ii) if the Barrier Condition is not met on the relevant Observation Date, zero.

(ii) Interest Amount:

The Interest Amount in respect of each Security payable on any Interest Payment Date shall be calculated by multiplying the product of the Rate of Interest and the Specified Denomination by the Day Count Fraction.

The Interest Amount on each Interest Payment Date shall be determined by the Calculation Agent on the relevant Determination Date.

(iii) Floating Rate:

- Floating Rate Option:

“EUR-EURIBOR-Reuters” meaning that the rate for an Interest Period will be the rate for deposits in euros for a period of the Designated Maturity which appears on the Reuters Screen EURIBOR01 Page as of 11:00 a.m., Brussels time, on the day that is two TARGET Settlement Days preceding the first day of the relevant Interest Period.

If such rate does not appear on the Reuters Screen EURIBOR01 Page, the rate for that Interest Period will be determined as the arithmetic average of the mid-market quotations for euros quoted by the Reference Banks at approximately 11:00 a.m., Brussels time, on the day that is two TARGET Settlement Days preceding the first day of the relevant Interest Period to prime banks in the Euro-zone interbank market for a period of the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount, assuming an

	Actual/360 day count basis.
- Designated Maturity:	6 months
- Reference Banks:	Three major banks in the Euro-zone interbank market that were included in the "Panel of Reference Banks" quoting the Euribor rate on Reuters Screen EURIBOR01 page on the last date that such rate appeared on that page, as selected by the Calculation Agent.
- TARGET Settlement Day:	Any day on which TARGET (the Trans-European Automated Real-time Gross settlement Express Transfer system) is open.
- Reuters Screen:	The display page so designated on the Reuters service, or any Successor Source.
- Successor Source:	In relation to any display page, other published source, information vendor or provider: <ul style="list-style-type: none"> (i) the successor display page, other published source, information vendor or provider that has been officially designated by the sponsor of the original page or source; or (ii) if the sponsor has not officially designated a successor display page, other published source, service or provider (as the case may be), the successor display page, other published source, service or provider, if any, designated by the relevant information vendor or provider (if different from the sponsor), as determined by the Calculation Agent.
(iv) Margin	+ 1.00 per cent. per annum
(v) Minimum Rate of Interest:	Not Applicable
(vi) Maximum Rate of Interest:	Not Applicable
(vii) Interest Commencement Date:	30 April 2011
(viii) Interest Payment Date(s):	30 April and 30 October in each year, commencing 30 October 2011 and ending on the Maturity Date.
(ix) Business Day Convention:	Not Applicable
(x) Day Count Fraction:	Actual/Actual – ICMA
(xi) Determination Date:	30 April and 30 October in each year.

PROVISIONS RELATING TO REDEMPTION

16	Redemption Amount:	The Redemption Amount in respect of each Security will be 100 per cent. of the Specified Denomination.
17	Settlement Currency	The Specified Currency
18	Early Redemption Amount:	As provided in the General Conditions.
UNDERLYING ASSETS		
19	Equity Index-linked Securities	Applicable
	Index:	S&P BRIC 40 (Price Return) Index
	Bloomberg Code:	SBE <Index>
	Information Source:	www.standardandpoors.com
	Required Exchanges:	Not Applicable
	Jurisdictional Event:	Not Applicable
	Jurisdictional Event Jurisdiction(s):	Not Applicable
	Additional Disruption Events:	
	Change in Law:	Not Applicable
	Hedging Disruption:	Not Applicable
	Increased Cost of Hedging:	Not Applicable
GENERAL PROVISIONS		
20	Form of Securities:	
	(i) Type:	Bearer Securities
	(ii) Global Security or Certificate:	Global Security
	(iii) Applicable TEFRA exemption:	Not Applicable
21	Financial Centre(s):	London
22	Listing and Admission to Trading:	
	(i) Stock Exchange(s) to which application will initially be made to list the Securities: <i>(Application may subsequently be made to other stock exchange(s))</i>	None
	(ii) Admission to trading:	MPS Capital Services Banca per le Imprese S.p.A. has undertaken to the Issuer that it will apply for the Securities to be admitted to trading on the systematic internaliser (<i>sistema di internalizzazione sistematica</i>) named "De@IDone Trading" ("DDT"), managed solely by MPS Capital Services Banca per le Imprese S.p.A. acting as "exclusive dealer" (negoziatore unico).
23	Security Codes:	
	ISIN Code:	XS0489466234
	Common Code:	048946623
24	Clearing and Trading:	
	Clearing System(s):	Euroclear Bank S.A./N.V. and Clearstream

		Banking, S.A., Luxembourg
	Additional Clearing System(s):	The Securities may also be cleared through the bridge account of Monte Titoli S.p.A.
	Delivery of Securities:	Delivery versus payment
25	Agents:	
	Calculation Agent:	Credit Suisse International One Cabot Square London E14 4QJ
	Fiscal Agent:	The Bank of New York Mellon, acting through its London Branch One Canada Square London E14 5AL
	Paying Agents:	The Bank of New York Mellon, acting through its London Branch One Canada Square London E14 5AL
26	Dealer(s):	Credit Suisse International One Cabot Square London E14 4QJ
27	Additional steps that may only be taken following approval by Extraordinary Resolution:	Not Applicable
28	Specified newspaper for the purposes of notices to Securityholders:	Not Applicable
29	Additional Provisions:	For the purposes of the Securities only, the definition of "Market Disruption Event" in the Assets Terms for Equity Index-linked Securities shall be deemed to be deleted and replaced by the following: "Market Disruption Event" means, on a Scheduled Trading Day, the occurrence of an event beyond the control of the Issuer which prevents the calculation of the Index Level or which constitutes or results in the suspension or the limitation of the publication of the Index Level." For the purposes of the Securities only, paragraph 2 (Non-Business Days, Modification or Discontinuation of an Index, Disrupted Days and Other Adjustments) in the Asset Terms for Equity Index-linked Securities shall be deemed to be deleted and replaced by the following: "If there is a Market Disruption Event, the Issuer shall determine the Index Level on the next following Scheduled Trading Day unless there is a Market Disruption Event on each of

the five Scheduled Trading Days following the original Observation Date, in which case the relevant Index Level shall be determined by the Calculation Agent in good faith and in a commercially reasonable manner.”

SCHEDULE

1 Barrier Condition

The **Barrier Condition** is met if, on the relevant Observation Date:

$$\text{Index}_i \geq 105\% \times \text{Index}_0$$

2 Definitions

The following definitions apply unless the context otherwise requires.

“**Index_i**” means the Index Level on Observation Date_i;

“**Index₀**” means the Index Level on the Strike Date;

“**Observation Date_i**” means, in respect of an Interest Period, the date specified in the table below, subject to adjustment in accordance with the Following Business Day Convention:

i	Interest Period Start Date (inclusive)	Interest Period End Date (exclusive)	Observation Date _i
1	30 April 2010	30 October 2010	–
2	30 October 2010	30 April 2011	–
3	30 April 2011	30 October 2011	17 October 2011
4	30 October 2011	30 April 2012	16 April 2012
5	30 April 2012	30 October 2012	16 October 2012
6	30 October 2012	30 April 2013	16 April 2013
7	30 April 2013	30 October 2013	16 October 2013
8	30 October 2013	30 April 2014	16 April 2014
9	30 April 2014	30 October 2014	16 October 2014
10	30 October 2014	30 April 2015	16 April 2015

“**Strike Date**” means 30 June 2010, subject to adjustment in accordance with the Following Business Day Convention.

S&P BRIC 40 (PRICE RETURN) INDEX

Information (including information as to the past and future performance and volatility of the index) on the S&P BRIC 40 (Price Return) Index may be obtained on Bloomberg under “SBE <Index>”.

Disclaimer

The Securities are not sponsored, endorsed, sold or promoted by Standard & Poor’s, a division of The McGraw-Hill Companies, Inc. (“S&P”). S&P makes no representation or warranty, express or implied, to the owners of the Securities or any member of the public regarding the advisability of investing in securities generally or in the Securities particularly or the ability of the S&P Indices to track general stock market performance. S&P’s only relationship to the Issuer is the licensing of certain trademarks and trade names of S&P and of the S&P Indices which is determined, composed and calculated by S&P without regard to the Issuer or the Securities. S&P has no obligation to take the needs of the Issuer or the owners of the Securities into consideration in determining, composing or calculating the S&P Indices.

S&P is not responsible for and has not participated in the determination of the timing of, prices at, or quantities of the Securities to be issued, or in the determination or calculation of the equation by which the Securities are to be converted into cash. S&P has no obligation or liability in connection with the administration, marketing or trading of the Securities.

S&P DOES NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE S&P INDICES OR ANY DATA INCLUDED THEREIN AND S&P SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN. S&P MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY ISSUER, OWNERS OF THE SECURITIES, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE S&P INDICES OR ANY DATA INCLUDED THEREIN. S&P MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE S&P INDICES OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FORGOING, IN NO EVENT SHALL S&P HAVE ANY LIABILITY FOR ANY SPECIAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

CLEARING ARRANGEMENTS

The Securities will be cleared through Euroclear and Clearstream, Luxembourg. The Common Code and the International Securities Identification Number (ISIN) are set out in the Issue Specific Terms.

TAXATION

The following is a summary of the withholding tax position in certain countries in respect of the Securities based on current tax legislation and is intended only as general information for holders of the Securities. It does not relate to any other tax consequences unless otherwise specified. Each investor should consult their own tax advisers as to the tax consequences relating to its particular circumstances resulting from holding the Securities.

UNITED KINGDOM TAXATION

Provided that the Issuer continues to be a bank within the meaning of section 991 of the Income Tax Act 2007 (the “Act”), and provided that the interest on the Securities is paid in the ordinary course of its business within the meaning of section 878 of the Act, the Issuer will be entitled to make payments of interest under the Securities without withholding or deduction for or on account of United Kingdom income tax.

Payments of interest on the Securities may also be made without withholding or deduction for or on account of United Kingdom income tax if the Securities are listed on a “recognised stock exchange” within the meaning of section 1005 of the Act.

Interest on the Securities may also be paid without withholding or deduction for or on account of United Kingdom tax where interest on the Securities is paid to a person who belongs in the United Kingdom for United Kingdom tax purposes and, at the time the payment is made, the Issuer reasonably believes (and any person by or through whom interest on the Securities is paid reasonably believes) that the beneficial owner is within the charge to United Kingdom corporation tax as regards the payment of interest; provided that HM Revenue & Customs have not given a direction (in circumstances where it has reasonable grounds to believe that the above exemption is not available in respect of such payment of interest at the time the payment is made) that the interest should be paid under deduction of tax.

Interest on the Securities may also be paid without withholding or deduction for or on account of United Kingdom tax where the maturity of the Securities is less than 365 days.

In other cases, an amount must generally be withheld from payments of interest on the Securities issued by the Issuer on account of United Kingdom income tax at the lower rate (currently 20 per cent.). However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Securityholder, HM Revenue & Customs can issue a notice to the Issuer to pay interest to the Securityholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

Securityholders who are individuals may wish to note that HM Revenue & Customs have power to obtain information (including the name and address of the beneficial owner of the interest) from any person in the United Kingdom who either pays interest to or receives interest for the benefit of an individual. HM Revenue & Customs also have power to obtain information from any person in the United Kingdom who pays amounts payable on the redemption of Security which are deeply discounted securities for the purposes of the Income Tax (Trading and Other Income) Act 2005 to, or receives such amounts for the benefit of, an individual. Such information may include the name and address of the beneficial owner of the amount payable on redemption. Any information obtained may, in certain circumstances, be

exchanged by HM Revenue & Customs with the tax authorities of the jurisdiction in which the Securityholder is resident for tax purposes.

ITALY TAXATION

The following is a summary of current Italian law and practice 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 the Securities Note 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 purchasers of the Securities are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Securities.

Tax treatment of the Securities

Legislative Decree No. 239 of 1 April 1996, as a subsequently amended, (the “Decree No. 239”) provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) from Securities falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) issued, inter alia, by non-Italian resident issuers.

For these purposes, debentures similar to bonds are defined as securities that incorporate an unconditional obligation to pay, at maturity, an amount not less than their nominal value (whether or not providing for internal payments) and that do not give any right to directly or indirectly participate in the management of the relevant issuer or of the business in relation to which they are issued nor any type of control on the management.

Italian resident investors

Where an Italian resident Securityholder is (i) an individual not engaged in an entrepreneurial activity to which the Securities are connected (unless he has opted for the application of the *risparmio gestito* regime – see “Capital Gains Tax” below), (ii) a non-commercial partnership, (iii) a non-commercial private or public institution, or (iv) an investor exempt from Italian corporate income taxation, interest, premium and other income relating to the Securities, accrued during the relevant holding period, are subject to a withholding tax, referred to as “*imposta sostitutiva*”, levied at the rate of 12.50 per cent. In the event that the Securityholders described under (i) and (iii) above are engaged in an entrepreneurial activity to which the Securities are connected, the *imposta sostitutiva* applies as a provisional tax.

Where an Italian resident Securityholder is a company or similar commercial entity or a permanent establishment in Italy of a foreign company to which the Securities are effectively connected and the Securities are deposited with an authorised intermediary, interest, premium and other income 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 general Italian corporate taxation (“IRES”, levied at the rate of 27.5%) and, in certain circumstances, depending on the “status” of the Securityholder, also to regional tax on productive activities (“IRAP”, generally levied at the rate of 3.9 per cent, even though regional surcharges may apply).

Under the current regime provided by Law Decree No. 351 of 25 September 2001 converted into law with amendments by Law No. 410 of 23 November 2001, as clarified by the Italian Ministry of Economics and Finance through Circular No. 47/E of 8 August 2003, payments of interest in respect of the Securities made to Italian resident real estate investment funds established pursuant to Article 37 of

Legislative Decree No. 58 of 24 February 1998, as amended and supplemented, and Article 14-bis of Law No. 86 of 25 January 1994 are subject neither to substitute tax nor to any other income tax in the hands of a real estate investment fund. However, Law Decree No. 112 of 25 June 2008, converted with amendments into Law No. 133 of 6 August 2008, has introduced a 1 per cent property tax applying on real estate investment funds' net value, where (i) their units are not expected to be listed on regulated markets and (ii) their equity is less than € 400,000,000, if: (a) there are less than 10 unitholders, or (b) funds are reserved to institutional investors or are speculative funds and their units are held, for more than 2/3, by individuals, trusts or other entities or companies referable to individuals.

If an investor is resident in Italy and is an open-ended or closed-ended investment fund (the "**Fund**") or a SICAV, and the Securities are held by an authorised intermediary, interest, premium and other income accrued during the holding period on the Securities will not be subject to imposta sostitutiva, but must be included in the management results of the Fund or SICAV accrued at the end of each tax period, subject to an ad-hoc substitute tax applicable at a 12.50 per cent. rate.

Where an Italian resident Securityholder is a pension fund (subject to the regime provided for by article 17 of the Legislative Decree No. 252 of 5 December 2005) and the Securities are deposited with an authorised intermediary, interest, premium and other income relating to the Securities and accrued during the holding period will not be subject to imposta sostitutiva, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to a 11 per cent. substitute tax.

Pursuant to Decree No. 239, imposta sostitutiva is applied by banks, *Società di intermediazione mobiliare* ("SIMs"), fiduciary companies, *Società di gestione del risparmio* (SGRs), stockbrokers and other entities identified by a decree of the Ministry of Economics and Finance (each an "**Intermediary**").

For the Intermediary to be entitled to apply the imposta sostitutiva, it must (i) be (a) resident in Italy or (b) resident outside Italy, with a permanent establishment in Italy or (c) an entity or a company not resident in Italy, acting through a system of centralised administration of securities and directly connected with the Department of Revenue of the Italian Ministry of Finance having appointed an Italian representative for the purposes of Decree 239; and (ii) intervene, in any way, in the collection of interest or in the transfer of the Securities. For the purpose of the application of the imposta sostitutiva, a transfer of Securities includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Securities.

Where the Securities are not deposited with an Intermediary, the imposta sostitutiva is applied and withheld by any entity paying interest to a Securityholder. If interest and other proceeds on the Securities are not collected through an Intermediary or any entity paying interest and as such no imposta sostitutiva is levied, the Italian resident beneficial owners listed above under (i) to (iv) will be required to include interest and other proceeds in their yearly income tax return and subject them to a final substitute tax at a rate of 12.5 per cent.

Early Redemption

Without prejudice to the above provisions, in the event that Securities having an original maturity of at least 18 months are redeemed, in full or in part, prior to 18 months from their issue date, Italian resident Securityholders will be required to pay, by way of a withholding to be applied by the Italian intermediary responsible for payment of interest or the redemption of the Securities, an amount equal to 20 per cent. of the interest and other amounts accrued up to the time of the early redemption. In accordance with one interpretation of Italian fiscal law, the above 20 per cent. Additional amount may be due also in the event of purchase of Securities by the issuer with subsequent cancellation thereof prior to 18 months from the date of issue.

Non-Italian Resident Securityholders

No Italian *imposta sostitutiva* is applied on payments to a non-Italian resident Securityholder of interest or premium relating to the Securities provided that, if the Securities are held in Italy, the non-Italian resident Securityholder declares itself to be a non-Italian resident according to Italian tax regulations.

Capital Gains Tax

Any gain obtained from the sale, early redemption or redemption of the Securities would be treated as part of the taxable income (and, in certain circumstances, depending on the “status” of the Securityholder, also as part of the net value of production for IRAP purposes) if realised by an Italian company or a similar commercial entity (including the Italian permanent establishment of foreign entities to which the Securities are effectively connected) or Italian resident individuals engaged in an entrepreneurial activity to which the Securities are connected.

Where an Italian resident Securityholder is an individual not holding the Securities in connection with an entrepreneurial activity, any capital gain realised by such Securityholder from the sale, early redemption or redemption of the Securities would be subject to an *imposta sostitutiva*, levied at the current rate of 12.50 per cent. Under some conditions and limitations, Securityholders may set off losses with gains. This rule applies also to certain other entities holding the Securities.

In respect of the application of the *imposta sostitutiva*, taxpayers may opt for one of the three regimes described below.

1. Under the “tax declaration” regime (*regime della dichiarazione*), which is the default regime for taxation of capital gains realised by Italian resident individuals not engaged in entrepreneurial activity to which the Securities are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a yearly cumulative basis, on all capital gains, net of any offsettable capital loss, realised by the Italian resident individual Securityholder holding Securities not in connection with an entrepreneurial activity pursuant to all sales, early redemption or redemptions of the Securities carried out during any given tax year. Italian resident individuals holding 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 of 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.
2. As an alternative to the tax declaration regime, Italian resident individual Securityholders 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, early redemption or redemption of the Securities (the “*risparmio amministrato*” regime provided for by Article 6 of the Legislative Decree No. 461 of 21 November 1997, as a subsequently amended, the “**Decree No. 461**”). 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 valid election for the *risparmio amministrato* regime being punctually 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, early redemption 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, early redemption 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

3. Any capital gains realised or accrued 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 validly opted for the so-called “*risparmio gestito*” regime (regime provided by Article 7 of Decree No. 461) 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 12.50 per cent. substitute tax, to be paid by the managing authorised intermediary. Under the *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 its annual tax return.

Any capital gains realised by a Securityholder which is a Fund or a SICAV will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 12.50 per cent. substitute tax.

Any capital gains realised by a Securityholder which is an Italian pension fund (subject to the regime provided for by article 17 of the Legislative Decree No. 252 of 5 December 2005) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 11 per cent. substitute tax.

Non-Italian Resident Securityholders

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

Inheritance and gift taxes

Pursuant to Law Decree No. 262 of 3 October 2006, (Decree No. 262), converted into Law No. 286 of 24 November 2006, the transfers of any valuable asset (including shares, bonds or other securities) as a result of death or donation are taxed as follows:

- (i) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or the gift exceeding EUR 1,000,000;
- (ii) transfers in favour of relatives to the fourth degree and relatives-in-law to the third degree, are subject to an inheritance and gift tax applied at a rate of 6 per cent. on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or the gift exceeding EUR 100,000; and
- (iii) any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or the gift.

Transfer Tax

Article 37 of Law Decree No 248 of 31 December 2007 (“**Decree No. 248**”), converted into Law No. 31 of 28 February 2008, published on the Italian Official Gazette No. 51 of 29 February 2008, has abolished the Italian transfer tax, provided for by Royal Decree No. 3278 of 30 December, 1923, as amended and supplemented by the Legislative Decree No. 435 of 21 November 1997.

Following the repeal of the Italian transfer tax, as from 31 December 2007 contracts relating to the transfer of securities are subject to the registration tax as follows: (i) public deeds and notarized deeds

are subject to fixed registration tax at rate of EUR 168; (ii) private deeds are subject to registration tax only in case of use or voluntary registration.

EU Savings Directive

Under EC Council Directive 2003/48/EC (“EU Savings Directive”) on the taxation of savings income, Member States, including Belgium from 1 January 2010, are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period Luxembourg and Austria are instead required (unless during that period they elect otherwise) to impose a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have agreed to adopt similar measures (a withholding system in the case of Switzerland).

On 15 September 2008 the European Commission issued a report to the Council of the European Union on the operation of the EU Savings Directive, which included the Commission’s advice on the need for changes to the Directive. On 13 November 2008 the European Commission published a more detailed proposal for amendments to the Directive, which included a number of suggested changes. The European Parliament approved an amended version of this proposal on 24 April 2009. If any of those proposed changes are made in relation to the Directive, they may amend or broaden the scope of the requirements described above.

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 qualified paying agents shall not apply the withholding tax and shall report to the Italian Tax Authorities details of the relevant payments and personal information on the individual beneficial owner. Such information is transmitted by the Italian Tax Authorities to the competent foreign tax authorities of the State of residence of the beneficial owner.

SUBSCRIPTION AND SALE

The Securities may be offered in Italy only in accordance with applicable laws and regulations including the Legislative Decree of February 24, 1998, n. 58, as subsequently amended, (the “**Financial Services Act**”), its implementing CONSOB Regulation May 14, 1999, n. 11971, as amended (the “**Regulation**”), including Articles 9 and 11 of the Regulation, as well as Articles 14, 17 and 18 of the Prospectus Directive and in accordance with this Securities Note.

The main terms of such offering are set out below.

The Distributors:

MPS Capital Services Banca per le Imprese S.p.A. (“**MPSCS**”), having its registered office at Via L. Pancaldo 4, Firenze, (Offices: viale Mazzini 23, Siena) Italy, will be acting as lead manager (*responsabile del collocamento*) pursuant to article 93-bis of the Financial Services Act.

Banca Monte dei Paschi di Siena SpA
Piazza Salimbeni, 3
53100 Siena
Italy

Banca Antonveneta S.p.A.
Piazzetta Turati 2
35131 Padova
Italy

Biverbanca Cassa di Risparmio di Biella e Vercelli S.p.A.
Via Carso 15
13900 Biella
Italy

will be acting as distributors for the Securities (each a “**Distributor**”).

Offer period:

The Securities will be placed into Italy without any underwriting commitment by MPSCS and/or the Distributors. No undertakings have been made by third parties to guarantee the subscription of the Securities.

4 March 2010 – 27 April 2010 (except in the case of any door-to-door sales being made to investors located in Italy, when the offer period will end on 20 April 2010).

The Securities will be offered to the public in the Republic of Italy through the Distributors. Qualified Investors (investitori qualificati, as defined in Article 100 of the Financial Services Act and Article 34-ter, first paragraph, letter b) of the Regulation) may be assigned only those Securities remaining after the allocation of all the Securities requested by the public in Italy during the offer period. The offer period may be discontinued at any time. Furthermore, MPSCS will terminate the offer early in the event that applications are received for all of the

Securities. Notice of the early closure of the offer period will be made to investors by means of a notice published on the Issuer's, MPSCS' and the Distributor's website.

Offer price:

The Securities will be offered at the Issue Price (of which 3.60 per cent. is represented by a commission payable to MPSCS and the Distributors).

Amount of the Offer:

Up to EUR 46,500,000.

The final amount of Securities will depend on the amount of Securities subscribed for during the offer period.

It is anticipated that the final amount of Securities to be issued on the Issue Date will be published on the Issuer's and MPSCS' websites on or around the Issue Date.

Applications:

There is no minimum amount of application. The maximum allocation of Securities will be subject only to availability at the time of the application.

There are no pre-identified allotment criteria. The Distributors will adopt allotment criteria that ensures equal treatment of prospective investors. All of the Securities requested through the Distributors during the offer period will be assigned up to the maximum amount of the offer.

Prospective investors may apply to the Distributors to subscribe for Securities in accordance with the arrangements existing between the relevant Distributor and its customers relating to the subscription of securities generally. Investors will not be required to enter into any contractual arrangements directly with the Issuer related to the subscription for the Securities.

Investors will be notified by the relevant Distributors of the amount allotted. Dealings may begin on the Issue Date.

Payment and delivery:

The Securities will be made available on a delivery versus payment basis and will be issued on the Issue Date against payment by the Distributor.

Payments for the Securities by investors shall be made to the relevant Distributor not later than 30 April 2010, as instructed by the relevant Distributor.

The Issuer estimates that the Securities would be delivered through the relevant Distributor to the subscribers' respective book-entry securities accounts on or around 30 April 2010 through the relevant intermediaries registered with the relevant clearing system.

Commission:

On the Issue Date the Issuer will pay (i) MPSCS a

management fee of 0.72 per cent. of the notional amount of the Securities placed and (ii) the Distributors, through MPSCS, a selling fee of 2.88 per cent. of the notional amount of the Securities placed.

The Issuer is not aware of any expenses or taxes specifically charged to the subscriber.

For details of the offer price, which includes the commissions payable to MPSCS and the Distributors, see the section above entitled "Offer price".

Taxes charged in connection with the subscription, transfer, purchase or holding of Securities must be paid by the relevant investor and the Issuer shall not have any obligation in relation thereto. Investors should consult their professional tax advisers to determine the tax regime applicable to their particular situation.

For details of the tax regime applicable to subscribers in the Republic of Italy, see "Taxation – Italy Taxation" above.

Issuer's Right to withdraw the offer and/or to cancel the issue:

The Issuer reserves the right to withdraw the offer and/or to cancel the issue of the Securities for any reason at any time on or prior to the Issue Date. If the Issuer considers it practicable to do so, the Issuer will consult with MPSCS prior to exercising such right to withdraw the offer or cancel the issue of the Securities.

For the avoidance of doubt, if any application has been made by a potential investor and the Issuer exercises such a right, each such potential investor shall not be entitled to subscribe or otherwise purchase any Securities.

The offers will be subject to the above provisions. In case of withdrawal or cancellation, MPSCS and/or the Distributors will inform the investors that have already applied for the Securities by appropriate means (and also through a notice published on its website, if available) and repay the Offer Price and any commission paid by any investor without interest.

Notification:

The UK Listing Authority has been requested to provide to the competent authority in Italy a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Directive.

Until the offer of the Securities has been registered pursuant to Italian securities legislation, no Securities may be offered, sold or delivered, nor may copies of the Prospectus or of any other document relating to the Securities be distributed in the Republic of Italy, except:

- (i) to qualified investors (investitori qualificati), as defined pursuant to Article 100 of the Financial Services Act and Article 34-ter, first paragraph,

- letter b) of the Regulation or
- (ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-ter of the Regulation.

Any offer, sale or delivery of the Securities or distribution of copies of the Prospectus or any other document relating to the Securities in Italy must be:

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the “**Banking Act**”); and
- (ii) in compliance with Article 129 of the Banking Act, as amended and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in Italy; and
- (iii) in compliance with any other applicable laws and regulations, or requirement imposed by CONSOB or other Italian authority.

Please note that in accordance with Article 100-bis of the Financial Services Act, where no exemption from the rules on public offerings applies under (i) and (ii) above, the subsequent distribution of the Securities on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under the Financial Services Act and Regulation No. 11971. Failure to comply with such rules may result in the sale of such Securities being declared null and void and in the liability of the intermediary transferring the financial instruments for any damages suffered by the investors.

Publication of a Supplement:

If the Issuer publishes a supplement to the Prospectus pursuant to Article 16 of the Prospectus Directive, investors who have already agreed to subscribe Securities before the supplement is published shall have the right to withdraw their acceptances by informing the relevant Distributor in writing thereof within 2 working days of publication of the supplement.

The Conditions of the Securities and the terms on which they are offered and issued will be subject to the provisions of any such supplement.

SELLING RESTRICTIONS

United States

The Securities have not been and will not be registered under the U.S. Securities Act of 1933 (the “**Securities Act**”) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Bearer Securities governed by Swiss law which may be exchanged for definitive securities will be subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

The Dealer may not, except as permitted by applicable law, offer, sell or deliver the Securities (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Issue Date within the United States or to, or for the account or benefit of, U.S. persons, and it will be required to send to each other Dealer to which it sells Securities during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Securities within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering, an offer or sale of Securities within the United States by the Dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

United Kingdom

The Dealer may only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the “**FSMA**”)) received by it in connection with the issue or sale of the Securities in circumstances in which section 21(1) of the FSMA would not, if the Issuer was not an authorised person, apply to the Issuer.

The Dealer is required to comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Securities in, from or otherwise involving the United Kingdom.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), the Dealer represents and agrees that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Securities to the public (within the meaning of that Directive) in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of Securities to the public in that Relevant Member State pursuant to the Prospectus or in circumstances which do not require the publication by the Issuer or the Dealer of a prospectus pursuant to the Prospectus Directive.

Italy

Until the offer of the Securities has been registered pursuant to Italian securities legislation, no Securities may be offered, sold or delivered, nor may copies of the Prospectus or of any other document relating to the Securities be distributed in the Republic of Italy, except:

- (i) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the “**Financial Services Act**”) and Article 34-ter, first paragraph, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time (“**Regulation No. 11971**”); or
- (ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-ter of Regulation No. 11971.

Any offer, sale or delivery of the Securities or distribution of copies of the Prospectus or any other document relating to the Securities in Italy must be:

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the “**Banking Act**”); and
- (ii) in compliance with Article 129 of the Banking Act, as amended and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in Italy; and
- (iii) in compliance with any other applicable laws and regulations, or requirement imposed by CONSOB or other Italian authority.

Please note that in accordance with Article 100-bis of the Financial Services Act, where no exemption from the rules on public offerings applies under (i) and (ii) above, the subsequent distribution of the Securities on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under the Financial Services Act and Regulation No. 11971. Failure to comply with such rules may result in the sale of such Securities being declared null and void and in the liability of the intermediary transferring the financial instruments for any damages suffered by the investors.

GENERAL INFORMATION

- 1 The issue of the Securities will be authorised on 26 April 2010 pursuant to a resolution passed by the Board of Directors of the Issuer on 13 March 2006.
- 2 Copies of the Agency Agreement will be available for inspection during normal business hours on any business day (except Saturdays, Sundays and legal holidays) at the offices of the Paying Agent. In addition copies of the following will be available free of charge at the principal office of the Paying Agent and at the registered office of the Issuer, during usual business hours on any weekday (Saturdays and public holidays excepted):
 - (a) the Prospectus;
 - (b) the Principal Base Prospectus; and
 - (c) the Agency Agreement and any supplement thereto.