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London, United Kingdom, December 19, 2016. Mercury UK Holdco Limited (“HoldCo”), the majority shareholder of Istituto Centrale delle Banche Popolari Italiane S.p.A., announced on December 15, 2016 (the “Issue Date”), that Mercury Bondco plc, a public limited company incorporated under the laws of Jersey (the “Issuer”), issued €600.0 million in aggregate principal amount of its senior secured floating rate PIK toggle notes due 2021 (the “Private Notes”) in a private placement with certain investors and has increased the amount available under its revolving credit facility (the “Revolving Credit Facility”) by €40.0 million to total availability of €95.0 million. Below is a summary of the terms of the Private Notes. In addition, upon HoldCo’s acquisition of Setefi Services S.p.A. (“Setefi Services”), certain indebtedness of Setefi Services remained outstanding following such acquisition.

This release details certain information regarding the Private Notes and the existing indebtedness of Setefi Services. The terms of the Revolving Credit Facility have not changed, other than the increase in the amount available for drawing.

Terms of the Private Notes

Maturity Date

The maturity date of the Private Notes is May 30, 2021.

Ranking

The Private Notes are general, senior obligations of the Issuer, which rank *pari passu* in right of payment with any existing and future indebtedness of the Issuer that is not subordinated in right of payment to the Private Notes, including obligations of the Issuer under its €900.0 million in aggregate principal amount of 8¼/9% senior secured fixed rate PIK toggle notes and €200.0 million in aggregate principal amount of senior secured floating rate PIK toggle notes, each issued on November 13, 2015 (collectively, the “Original Notes”), its revolving credit facility (which will receive proceeds from any enforcement in priority to the Private Notes and the Original Notes) and certain hedging obligations. The Private Notes rank senior in right of payment to any existing and future indebtedness of the Issuer that is expressly subordinated in right of payment to the Private Notes, are effectively subordinated to any existing or future indebtedness or obligation of the Issuer, Mercury A Capital Limited, Mercury B Capital Limited and Mercury ABC Capital Limited (collectively, the “Sponsors’ HoldCos”), HoldCo or of subsidiaries of HoldCo that is secured by property and assets that do not secure the Private Notes, to the extent of the value of the property and assets securing such indebtedness or obligation, and are structurally subordinated to any existing or future indebtedness of HoldCo or subsidiaries of HoldCo that do not guarantee the Private Notes, including obligations under the Setefi Dividend Facility Agreement and under the Setefi Funding and Settlement Agreement (each term as defined below), as well as obligations owed to trade creditors and depositors.

Guarantees

The Private Notes are guaranteed on a several, but not joint, basis by each of the Sponsors’ HoldCos, which each guaranteed the Private Notes pursuant to its respective guarantee agreement with effect as of the Issue Date (the “Private Notes Guarantees”). Each Sponsors’ HoldCo guarantees 33⅓% of the obligations under the Private Notes and the Original Notes, which percentage is equivalent to its shareholding in HoldCo. The Private Notes Guarantees are senior obligations of each Sponsors’ HoldCo and rank *pari passu* in right of payment with any existing and future indebtedness of such Sponsors’ HoldCo that is not subordinated in right of payment to such Private Notes Guarantee, including such Sponsors’ HoldCo’s guarantee of the Original Notes and the revolving credit facility. The Private Notes Guarantees rank senior in right of payment to any existing and future indebtedness of such Sponsors’ HoldCo that is expressly subordinated to such Private Notes Guarantee.

The Private Notes Guarantees are effectively subordinated to any existing or future indebtedness or obligation of such Sponsors' HoldCo that is secured by property and assets that do not secure such Private Notes Guarantee, to the extent of the value of the property and assets securing such indebtedness or obligation, and are structurally subordinated to any existing or future indebtedness of HoldCo or subsidiaries of HoldCo that do not guarantee the Private Notes, including obligations under the Setefi Dividend Facility Agreement and under the Setefi Funding and Settlement Agreement, as well as obligations owed to trade creditors and depositors.

Security

The Private Notes and the Private Notes Guarantees are secured on a first-priority basis by the same collateral that secures the Original Notes.

Interest Payment

The Private Notes bear interest at a floating rate of six-month EURIBOR, plus 8.75% per annum with respect to interest payments in cash, and six-month EURIBOR, plus 9.50% per annum with respect to any interest paid in kind by increasing the principal amount equal to such interest ("PIK Interest"). Interest is payable on the Private Notes on May 12, 2017, November 13, 2017, May 11, 2018, November 13, 2018, May 13, 2019, November 13, 2019, May 13, 2020, November 12, 2020 and May 30, 2021. Except for the first and last interest payment dates for the Private Notes, when interest must be paid in cash, interest may be paid in cash or as PIK Interest, depending on the extent of cash available for debt service (as defined in the Private Notes, but which excludes required cash payments of interest on the immediately following interest date in respect of the Original Notes and the revolving credit facility) of the Sponsors' Holdcos as of the relevant determination date. The determination dates for determining the extent to which PIK Interest may be paid on the Private Notes as of any given interest payment date are as follows:

<u>Determination Date</u>	<u>Related Interest Payment Date</u>
November 9, 2017	November 13, 2017
May 9, 2018	May 11, 2018
November 9, 2018	November 13, 2018
May 9, 2019	May 13, 2019
November 11, 2019	November 13, 2019
May 11, 2020	May 13, 2020
November 10, 2020	November 12, 2020

In addition, interest may be paid on the Private Notes as PIK Interest to the extent that a payment of cash interest on the Private Notes in the immediately preceding interest period resulted in insufficient cash available for debt service (as defined in the Original Notes) as of the determination date for the Original Notes in respect of the immediately following interest period for the Original Notes.

Optional Redemption

Prior to May 15, 2018, the Issuer may redeem all or, from time to time, part of the Private Notes upon not less than 10 nor more than 60 days' prior written notice at a redemption price equal to 100% of the principal amount of the Private Notes, plus the applicable "make whole" premium, plus accrued and unpaid interest and additional amounts, if any, to, but not including, the applicable redemption date. Thereafter, the Issuer can redeem the Private Notes at the following redemption prices (expressed as a percentage of principal amount) plus accrued and unpaid interest and additional amounts, if any, to, but not including, the applicable redemption date, if redeemed during the twelve-month period beginning on May 15 of the years indicated below:

<u>Year</u>	<u>Redemption Price</u>
2018.....	103.0000%
2019.....	101.5000%
2020 and thereafter.....	100.0000%

Other Terms

The Private Notes have substantially the same covenants, specified defaults and events of default as the Original Notes, but do not include a requirement to retain reserve cash equal to six months' debt service. The Private PIK Notes were issued in global form in denominations of €100,000 and in integral multiples of €1 in excess thereof, and are maintained in book-entry form. The Private Notes and the Private Notes Guarantees are governed by the laws of the State of New York. The Private Notes are listed on the Official List of the Channel Islands Securities Exchange Authority Limited.

Terms of Existing Indebtedness of Setefi Services

Setefi Dividend Facility Agreement

On November 29, 2016, Intesa Sanpaolo S.p.A. ("**ISP**"), as lender, and Setefi Services, as borrower, entered into a loan agreement (the "**Setefi Dividend Facility Agreement**") providing for an unsecured, unguaranteed term loan facility in a principal amount of up to €95,000,000, available in a single drawing. The loan under the Setefi Dividend Facility Agreement bears interest at a floating rate per annum.

Setefi Services declared a dividend payable to ISP in respect of the year ended December 31, 2015. On December 1, 2016, to finance a portion of such dividend, Setefi Services drew down the full €95,000,000 available under the Setefi Dividend Facility Agreement and distributed all such proceeds to ISP, its sole shareholder at such time.

The loan under the Setefi Dividend Facility Agreement must be repaid subject to the following repayment schedule: (i) on the twelve month-anniversary of the date of drawdown, any outstanding amounts in excess of €95,000,000 must be repaid in full; (ii) on the 18 month-anniversary of the date of drawdown, any outstanding amounts in excess of €85,000,000 must be repaid in full; and (iii) any remaining outstanding amounts must be repaid in full on the 24 month-anniversary of the disbursement date. In addition, the loan under the Setefi Dividend Facility Agreement must be prepaid in full upon the occurrence of certain events, including in the event of illegality or upon certain changes of control.

The Setefi Dividend Facility Agreement provides for customary representations, warranties and covenants. In the event of certain asset dispositions, Setefi Services must use the proceeds from such asset dispositions to prepay the loan. Certain dispositions are carved out from the scope of this covenant, including certain *de minimis* transactions, asset dispositions the proceeds of which are applied to purchase similar assets, dispositions to affiliates, dispositions in connection with factoring and receivables financing, and the sale to ISP of the preferred stock issued by Visa, Inc. to Setefi Services in connection with the acquisition by Visa Inc. of the entire share capital of Visa Europe Limited.

The Setefi Dividend Facility Agreement provides for customary events of default including certain bankruptcy events, the acceleration of other indebtedness in an amount equal to or in excess of €40,000,000, the use of any proceeds received by Setefi Services under the agreement other than for the designated purposes, certain material adverse events and certain material breaches of Setefi Services's obligations under the agreement.

The Setefi Dividend Facility Agreement is governed by, construed in accordance with and will be enforced in accordance with Italian law.

Setefi Funding and Settlement Agreement

On December 15, 2016, ISP, as lender, and Setefi Services, as borrower, entered into a master credit agreement and a supplement thereto (together, the "**Setefi Funding and Settlement Agreement**"), providing for unsecured, unguaranteed borrowings in an aggregate principal amount of up to €365,000,000. The Setefi Funding and Settlement Agreement provides for a current account credit facility in an available amount of up to €365,000,000 which bears interest at a floating rate per annum. The proceeds of such facility must be used in connection with the settlement and collection of payments. When used for this

purpose, we categorize the facilities under the Setefi Funding and Settlement Agreement as settlement obligations of Setefi Services. In addition, up to €15,000,000 of the amount available can be utilized for receivables factoring (other than settlement obligations) and €20,000,000 may be utilized for other working capital obligations (such as payment of salaries, taxes, social security contributions and purchases from suppliers).

The Setefi Funding and Settlement Agreement provides for customary representations, warranties and covenants. Setefi Services is required to ensure that all payments received from the card schemes or ISP (in its capacity as partner bank), as well as any payments of invoices factored to ISP under the Setefi Funding and Settlement Agreement, are transferred to a designated account of Setefi Services with ISP.

The term of the Setefi Funding and Settlement Agreement is unlimited. ISP is entitled to terminate the agreement at any time by written notice, in any case in accordance with the terms thereunder, as well as upon the occurrence of certain events, including certain bankruptcy events, the acceleration of other indebtedness in an amount in excess of €40,000,000, the use of any proceeds received by Setefi Services under the agreement other than for the designated purposes, certain material adverse events and certain material breaches of Setefi Services's obligations under the agreement. Upon such termination, Setefi Services will be required to repay any amounts outstanding within 30 days.

The Setefi Funding and Settlement Agreement is governed by, construed in accordance with and will be enforced in accordance with Italian law.

This document is not an offer of securities for sale in the United States or any other jurisdiction. The Private Notes and the Original Notes may not be sold in the United States unless they are registered under the U.S. Securities Act of 1933 (the "Securities Act") or are exempt from registration. The Private Notes and the Original Notes described in this announcement and any related guarantees have not been and will not be registered under the Securities Act, and accordingly any offer or sale of Private Notes or Original Notes and such guarantees may be made only in a transaction exempt from the registration requirements of the Securities Act.