



Ministero dell'Economia e delle Finanze

Ufficio Stampa

PRESS RELEASE

BTP Futura, the second issuance from Monday, 9th of November and with 8-year maturity, aimed at financing the new Government measures for the country's recovery from Covid19 crisis

The Ministry of Economy and Finance (MEF) announces the second issuance of the BTP Futura, the first government bond exclusively targeted to individual investors, that will start on Monday, 9th of November and will end on Friday, 13th of November 2020 (until 1.00 p.m.).

As anticipated in the 2020 Public Debt Management Guidelines update and in line with the BTP Futura last July first issuance, this issuance will be exclusively targeted to individual investors and other persons similarly classified (the so-called *retail* market) and will be fully aimed at financing the new last measures adopted by the Government to support the country's recovery from the Covid-19 epidemiological crisis: to strengthen the National Health System, to support families and job protection, and to hold up companies in increasing the country's capability to cope with the Covid-19 epidemiological crisis.

With reference to the previous July issuance, this time the bond will have a shorter maturity, 8 years.

The final bonus, paid only to investors who purchase the bond during the placement period and hold it until the final maturity, will be related to the country's economic recovery. The minimum final bonus will be not less than 1% of the invested capital but might increase up to a 3% of the invested capital, in proportion to the average annual variation of the Italian nominal GDP, as published on the Istat website and calculated for the period between the year of the issuance and the year of bond's maturity, rounded to the second decimal.

The BTP Futura will entail nominal semi-annual coupons set on the basis of a pre-set path of increasing rates over time (the so called “step-up” mechanism).

The coupons, paid on a semi-annual basis, will be calculated on the basis of a fixed coupon rate for the first 3 years, that increases for a first time for the next 3 years and a second time for the last 2 years of the bond before its final maturity.

The series of guaranteed minimum coupon rates of this second BTP Futura issuance will be communicated on Friday 6th of November 2020, while the final coupon rates will be announced at the end of the placement period, on Friday, 13th of November, and in any case they will not be lower than the coupon rates initially set and communicated at the start of the placement period. Moreover, the coupon rate of the first 3 years will remain unchanged, while only the coupon rates of the following periods might be revised upwards at the end of the issuance based on market conditions.

The bond will be placed at par (price equal to 100) through MOT, the retail Borsa Italiana’s screen-based market for securities and government bonds, through the two dealers: Intesa Sanpaolo S.p.A. and UniCredit S.p.A.

The placement does not entail any cap or allotment hence guaranteeing the entirely satisfaction of the demand, except for the faculty of the MEF to close the issuance earlier. In any case, considering the current emergency situation and in order to allow the widest possible participation by investors, the possible early closing will not take place before Wednesday 11st of November, thus guaranteeing to individual investors at least three full days of placement. In case of early closing at 5.30 p.m. of the third or fourth day of the placement, the definitive annual coupon rates will be set during the morning of the day after the closing of the placement.

Additionally, there are no fees to be borne by investors, while the taxation treatment is equal to 12.5 % and the Inheritance Tax does not apply (neither on the coupon nor on the final bonus), as for all government securities.

The bond can be purchased liaising with the contact person in the bank or at the post office where the investor has her/his securities account, or via home banking system having an on-line trading feature.

In order to open a new securities account or to purchase “physically” the bond at the bank, bank operators will provide simplified digital procedures to book the BTP Futura.

For more information, the dedicated email box btptutura@mef.gov.it, managed by the Department of the Treasury, is available again, until the bond settlement date.

Please note that all official communications, the FAQ, the Termsheet and the Technical note for market participants will be published on the website of the Ministry of Economy and Finance (www.mef.gov.it/btptutura) and on the website of the Department of the Treasury in the Public Debt

section (www.dt.mef.gov.it/debitopubblico), where there are also available the latest updated data related to the national debt management.

Rome, 20th of October 2020