



Ministero dell'Economia e delle Finanze

Ufficio Stampa

PRESS RELEASE

BTP Futura: available the term sheet and the technical note of the third issuance, to support the country's economic recovery post-Covid-19

The Ministry of Economy and Finance (MEF) has published the term sheet and the technical note of the third issuance of the BTP Futura, the government bond targeted only to retail investors, that will be placed from **19th of April to 23th of April 2021 (until 1 p.m.)**, unless early closing of the issuance.

The bond's proceeds will be entirely devoted at financing the last measures adopted by the Government to support the economic recovery related to the Covid-19 pandemic crisis and the vaccination campaign.

The bond will have a maturity of **16 years**, and it will grant a double bonus: at the end of the first eighth years, investors who purchased the bond at issuance will receive an intermediate bonus payment equal to the 40% of the average annual variation of the Italian nominal GDP over the first eight years of the bond's life, for a minimum of 0.4% and a maximum of 1.2% of the invested capital. After the following eight years, hence at the bond's final maturity, investors who purchased the bond during the placement period and hold it until its final maturity seamlessly will receive a final bonus payment made of two components: the first one equal to the remaining 60% of the average annual variation of the Italian nominal GDP over the first eight years of the bond's life, with a minimum of 0.6% and a maximum of 1.8% of the invested capital; the second one equal to the 100% of the average annual variation of the Italian nominal GDP from the ninth year until the sixteenth year of the bond's life, with a minimum of 1% and a maximum of 3% of the invested capital.

The BTP Futura will have semi-annual nominal coupons based on a preset path of increasing rates over time (the so-called "step-up mechanism"). The coupons will be calculated on the basis of a preset coupon rate for the first 4 years, that will increase for a first time for the next 4 years, a second time for the next 4 years and a third time for the last 4 years of the bond before its final maturity. The series of guaranteed minimum coupon rates of this third BTP Futura issuance will be communicated **on Friday 16th of April 2021**, while the final coupon rates will be announced at the end of the placement period, on 23rd of April, and in any case they will not be lower than the coupon rates initially set. Moreover, the coupon rate of the first 4 years will remain unchanged, while only the coupon rates of the following periods might be revised upwards 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 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, the possible early closing will not take place before Wednesday 21st of April, 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 and might only be left unchanged or revised upwards, based on market conditions.

Additionally, there are no fees to be borne by investors, the taxation treatment is equal to 12.5% and the Inheritance Tax does not apply, as for all government securities.

The Term Sheet and the Technical Note for intermediaries are available on the website of the Public Debt, on which the FAQs will also be available in the coming days, in order to provide investors and market operators with all the necessary information to take part in the forthcoming placement.

Rome, April 8th, 2021