



MEDIOBANCA

PRESS RELEASE

MEDIOBANCA COMPLETES ISSUANCE OF A TIER 2, TEN-YEAR BOND WITH A FIVE-YEAR CALL OPTION FOR A TOTAL AMOUNT OF €250M

Milan, 16 November 2020

Mediobanca has today successfully completed the placement of a Tier 2 bond with a ten-year maturity and five-year call option, for a total amount of €250m.

The bond, reserved for institutional investors, was priced at €99.748, representing a spread of 280 bps over the midswap rate and a coupon of 2.3%. Investor demand was very strong, with orders reaching €2.8bn during the placement, and there was significant international interest, which resulted in 74% of the final amount being distributed outside of Italy.

Mediobanca's CEO Alberto Nagel commented: "This is our second issue already in FY 2020-21, after the inaugural seven-year €500m green bond placed in September. It is further indication of the wide and well-diversified sources of funding to which Mediobanca continues to have access, and our ongoing ability to optimize the cost of funding even against the weaker macro backdrop impacted by the Covid -19 pandemic".

Today's transaction also follows the five-year €500m senior non-preferred bond issued in January 2020, and as such represents the second step in the strategy to optimize the capital structure by replacing the Tier 2 debt falling (a total amount of €1.5bn over the horizon of the 2019-23 Strategic Plan) with a mixture of Tier 2 and senior non-preferred issues.

The substantial amount of liquidity secured through pre-funding activity completed by February 2020 (before spread levels were impacted by the outbreak of the pandemic), coupled with the measures put in place by the ECB and growth in Mediobanca's deposits, positioned the Group well for 2Q and the start of 3Q, when spread levels were at their highest, meaning Mediobanca has been able to come to the market with confidence, first in September with the green bond and now this issue, and so prevent high spreads from crystallizing over time.

Investor Relations

Tel. no.: (0039) 02-8829.860/647
investor.relations@mediobanca.it

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Tel. no.: (0039) 02-8829.627/319
media.relations@mediobanca.it