

Italia, da BEI e Banco BPM 500 milioni di euro per Pmi, MidCap e imprese agricole

- EUR 200m each for the SME and mid-cap segments, EUR 100m to the agricultural sector
- Financing both for new and existing projects in all productive sectors
- The operation is based on the European Investment Bank's underwriting of a reserved bond issued by Banco BPM

An agreement signed between the European Investment Bank (EIB) and Banco BPM in support of the Italian economy will make available EUR 500m in new funding to Italian small and medium-sized enterprises (SMEs) and agribusinesses.

Of that amount, EUR 200m is reserved for SMEs (up to 250 employees), EUR 200m for mid-caps (250-3 000 employees) and EUR 100m for agribusinesses, with a 10% share dedicated to "young farmers" (under 41 years of age).

The loans are intended to fund either new or existing projects providing these have not yet been completed. Loans to businesses operating in all productive sectors (agriculture, crafts, industry, retail, tourism and services) can be allocated for the purchase, construction, extension and refurbishment of buildings; the purchase of plant, equipment, vehicles or machinery; expenses, additional charges and intangible assets related to the projects, including research, development and innovation costs; and ongoing working capital requirements for operational purposes.

In terms of the structure of the operation, the EIB is underwriting, in a private placement, a new covered bond issued as part of the BPM Covered Bond 2 programme, backed by a portfolio of residential mortgages established pursuant to Italian law on covered bonds. The covered bond issued by Banco BPM has a term of six years with repayment of principal on maturity and an annual fixed coupon rate of 0.5%. In turn, Banco BPM will transfer EUR 500m in new funding with a financial benefit (tax reductions) for businesses that apply for project financing.

Banco BPM will manage the financing applications, disbursements and repayments through its network of subsidiaries. The loans can have maturities of up to 12 years.

EIB Vice-President **Dario Scannapieco** stated: *"I am particularly pleased with this partnership with Banco BPM. It is allocating funds very rapidly, which shows that by working together with a large Italian bank the EU can help individuals and businesses, including agribusinesses, to revive the economy."*

Banco BPM's CEO **Giuseppe Castagna** said: *"This operation consolidates our existing strong relationship with the EIB, which represents a significant chapter in Banco BPM's continued backing for Italian businesses. To date,*

loans disbursed under agreements with the EIB have enabled us to support more than 2 200 SMEs via investments amounting to over EUR 1bn. I am very satisfied that a substantial share of the total amount provided under this specific agreement is intended for agribusiness, a sector in which Banco BPM represents a benchmark for many enterprises and in which we intend to keep growing."

The operation was overseen for Banco BPM by our in-house legal team with the support of A&O. For its part, the EIB was assisted by BonelliErede.

Note to editors

With over 22 000 employees and more than 1 700 subsidiaries, **Banco BPM** is the third biggest banking group in Italy. It serves four million customers via a widespread complementary distribution network and an extensive multi-channel model. Banco BPM's regional presence and strategic position in northern Italy make it the national leader in various high value-added business sectors. It is uniquely positioned with a portfolio of well-known brand names and opportunities for cross-selling between banking product providers.