

Italy: EIB and Iccrea Group provide EUR 200m for SMEs and agribusinesses

- The operation concerns 14 cooperative banks that will manage loans to local SMEs
- The aim is to reach smaller businesses in rural areas far from large urban centres
- 25% of the loans are reserved for the agricultural sector

The aim of the agreement between the European Investment Bank (EIB) and Gruppo Bancario Cooperativo Iccrea (via Iccrea Banca) is to extend their influence within Italy's production fabric to rural areas, far from large production centres. This will enable 14 of the Iccrea Group's banks to provide EUR 200m in financing to Italian SMEs, including in the agricultural sector.

The new loans are intended for businesses with fewer than 250 employees operating in all productive sectors: crafts, industry, retail, tourism and services, with 25% reserved for agriculture. The loans 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 connected to the projects, including research, development and innovation costs; and ongoing working capital requirements for operational purposes.

Technically speaking, the operation starts as a kind of securitisation deal where the participating banks transfer a loan portfolio to a financing vehicle, which then issues EUR 200m worth of bonds underwritten by the EIB. The 14 cooperative banks (BCC) can then generate the same amount of new funding (EUR 200m), passing on to the final beneficiaries the favourable interest rate and maturity terms of the EIB's funding.

EIB Director of Operations in Italy **Miguel Morgado** said: *"The EIB is particularly pleased to be able to operate via the Iccrea Group thanks to its 140 cooperative banks and 2 600 branches throughout Italy. Its member banks are often the only reference point for families and businesses in rural, hilly or mountainous areas not served by the sector's big players. In this respect, the favourable terms of the EIB's funding are truly available to all."*

The 14 Iccrea Group banks concerned by the operation are as follows: EMIL Banca; BCC Umbria; Banca della Marca; BCC Abruzzese-Cappelle sul Tavo; Banca Alpi Marittime; Banca del Piceno; Banca d'Alba; BCC Ravennate, Forlivese e Imolese; BCC di Ostra e Morro d'Alba; Banca Patavina; BCC di Pontassieve; BCC di Recanati e Colmurano; BCC dei Colli Albani; Banca Mediocredito del Friuli Venezia Giulia.