

NEWS RELEASE**EIB Group and Banco Popolare lend EUR 560 million for SMEs, mid-caps, enterprise networks, innovative R&D projects and the Emilia earthquake**

- SMEs and mid-caps: 200 million
- EIF, guarantees for innovative SMEs: 60 million
- Emilia earthquake: 50 million
- Industria 2015 and Italy Knowledge Economy: 55 million
- Enterprise networks: 20 million

Verona, 7 December 2012 - The **European Investment Bank Group (EIB and EIF, European Investment Fund)** and the **Banco Popolare Group** signed today in Verona five new agreements to provide medium and long-term finance and a new guarantee agreement for Italian businesses totalling EUR 385 million. The terms and conditions were also agreed for the deployment of three lines of credit, already signed, amounting to a further EUR 175 million. These lines of credit are also intended to finance investment programmes implemented by SMEs and mid-caps.

These operations strengthen the close relationship between the EIB and Banco Popolare and come under the 2009 Framework Agreement between the EIB, ABI and Confindustria to support Italy's productive sector, intended to mitigate the effects of the financial crisis and help with the incipient recovery process.

In particular, the guarantee agreement signed by the EIF in support of SMEs specialising in research, development and innovation introduces to Italy the new RSI (Risk Sharing Instrument), developed by the EIF in cooperation with the European Commission under the RSFF (Risk Sharing Finance Facility) and launched in 2011 by the European Commission and the EIB.

In particular, for the first time in Italy the EIF signed a guarantee agreement to support SMEs' research, development and innovation projects thanks to the new RSI (Risk Sharing Instrument) launched in 2011 in cooperation with the European Commission.

*"For businesses, especially SMEs, accessing credit is vital to be able to get through this long downturn: thanks to its cooperation with Banco Popolare, the EIB Group can channel new finance into Italy's productive sector", remarked **Dario Scannapieco, EIB Vice-President** with responsibility for operations in Italy, Malta, the Western Balkans and Greece **and President of the EIF**. "The agreements entered into today enable Banco Popolare to make a wide range of possible financial instruments available to SMEs, particularly benefiting R&D projects in the relevant business sectors."*

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*"The agreements signed with the EIB and the EIF", explained **Maurizio Faroni, General Manager of Banco Popolare**, "will serve to boost our support for SMEs, which have always been our Group's main target clientele. These agreements will help to achieve three objectives: substantial resources will be mobilised; action will be taken in the key emergency areas of our productive system; and our local banks will be provided with vital funding to support enterprises planning to invest in innovation, even in these difficult economic times."*

Small and medium-sized enterprises (SMEs) and mid-caps (EUR 200 million)

The EIB will provide EUR 200 million for Italian businesses on particularly favourable terms. At least 70% of the lines of credit will be intended for investment by SMEs (up to 250 employees) with the remainder supporting investment by Italian mid-caps (between 250 and 3 000 employees). In general, the loans will be intended either for new projects or projects in progress. All productive sectors are eligible for loans – agriculture, crafts, industry, commerce, tourism and services. The loans may be used to purchase, construct, extend or renovate buildings, purchase plant, equipment, vehicles or machinery, cover project-related costs, additional charges and intangible assets, including research, development and innovation costs, and provide the working capital that is always needed in connection with operational activities.

The loans deployed using EIB funds can cover up to 100% of the project cost and have maturities of up to 10 years.

Banco Popolare is also committed to providing its own resources to beneficiary SMEs, thereby increasing the overall ceiling available in support of Italy's economy.

EIF, guarantee for innovative SMEs (EUR 60 million)

The EUR 60 million agreement between the EIF and Banco Popolare, **the first of its kind signed by the EIF in Italy**, will help support SMEs specialising in innovation and R&D via the RSI (Risk Sharing Instrument). The EIF will use this mechanism to guarantee 50% of the bank's credit risk exposure to innovative projects by SMEs. The European Commission will provide security against any initial losses incurred by the EIF on such operations, which will ultimately give the banks more free capital to commit to new loans. Thanks to the agreement, Banco Popolare will make available to beneficiary SMEs up to EUR 120 million in new loans over the next two years. The RSI concerns loans of between EUR 25 000 and EUR 7.5 million with maturities of up to seven years provided to businesses with fewer than 500 employees.

Industria 2015 (EUR 30 million) and Italy Knowledge Economy (EUR 25 million)

The EIB is continuing to co-finance in Italy, in response to a proposal from Confindustria, projects selected by (i) the Economic Development Ministry under the Industria 2015 initiative and (ii) the Education, Universities and Research Ministry in connection with industrial research initiatives planned under the 2007-2013 National Research and Competitiveness Programme. The EIB has approved a EUR 150 million line of credit for each component (making a total of EUR 300 million).

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The tranche signed today for the Italy Knowledge Economy initiative is the first in Italy and provides an excellent example of how EIB finance in conjunction with the national authorities can support research, development and innovation, particularly in the Convergence Regions (Campania, Sicily, Puglia and Calabria).

Enterprise networks (EUR 20 million)

This line of credit is for enterprise networks – the free associations between firms whose goal is to enhance the competitiveness and innovative spirit of their members. This form of association was recently introduced into the Italian legal system (Enterprise Networks agreement, law No 33/2009). The EIB has approved a EUR 100 million line of credit in support of enterprise networks. The loans deployed using EIB funds can cover up to 100% of the project cost and have maturities of up to 10 years.

Emilia earthquake (EUR 50 million)

A EUR 50 million loan will go to financing operations to restore and make safe structures damaged by the earthquake in May 2012. The loans will go to projects for which applications have been submitted by businesses of any size (SMEs, mid-caps, large corporates) and local authorities (municipalities, provinces) located in the areas struck by the earthquake and may concern any business sectors traditionally financed by the EIB. The EIB has provided finance totalling EUR 200 million in association with Italy's banking system to help deal with the aftermath of the Emilia earthquake. The loans deployed using EIB funds can cover up to 50% of the project cost (100% if allocated to SMEs) and have maturities of up to 15 years.

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