



BANCO BPM AND THE EIB GROUP: € 330 MILLION TO SUPPORT ITALIAN SME AND MIDCAP COMPANIES

- The European Investment Fund (EIF) and Banco BPM have signed an agreement allowing Banco BPM to make available EUR 330 million in loans to small and medium enterprises in Italy.
- The synthetic securitisation is supported by an additional guarantee supplied by the EIB, backed by the Investment Plan for Europe, better known as the Juncker Plan.

Milan, 28 June 2019 - **Banco Bpm** and the **EIB Group** have signed a new agreement, introducing an innovative collaborative method, with the goal of providing financing to Italian SME and mid-caps.

With this agreement, **Banco BPM will make EUR 330 million available for financing for companies operating in various sectors**. The new loans are intended for **small and medium enterprises (SMEs)** (companies with up to 249 employees) and, for up to **a maximum of 30% of the portfolio**, for **Midcaps** (companies with up to 2,999 employees) operating in the industrial, agricultural, tourism and services sectors, making **investments** in tangible and intangible assets or to support **working capital requirements**.

More specifically, the EIB Group, consisting of the European Investment Bank (EIB) and the European Investment Fund (EIF), signed a guarantee contract in favour of Banco BPM. The EIF will guarantee a mezzanine tranche of a portfolio of loans already granted by Banco BPM to Italian small and medium enterprises, counter-guaranteed by the EIB. The project is supported by the European Fund for Strategic Investments under the Juncker Plan. The capital freed by the guaranteed portfolio will be used by Banco BPM to support new projects by Italian small and medium enterprises through up to EUR 330 million in new loans.

Jyrki Katainen, European Commission Vice-President for Jobs, Growth, Investment and Competitiveness, said: *"The financing agreement signed today between the EIB Group and Banco BPM in Italy makes clever use of the EU budget guarantee. With its help, Italian businesses are gaining access to more than EUR 300 million in new loans. The Investment Plan continues its strong support of the Italian SME market, with nearly 290,000 small and medium businesses in Italy already benefitting from financing at favourable terms."*

"Collaboration with the EIB Group represents an important element to be added to the already impressive efforts made by Banco BPM to support Italian businesses", stated **Giuseppe Castagna**, Chief Executive Officer of Banco BPM. *"The loans offered by Banco BPM as part of the overall structure of the existing agreements with EIB have allowed us to support more than 2,700 companies, for a total of around EUR 1.5 billion in loans. Sixty per cent of the customers are SMEs, while the remaining portion are midcaps. Once again, with this project, Banco BPM confirms its goal of assisting local companies by offering a wide array of diversified tools to finance the development, growth or expansion of business."*

EIF Chief Executive, **Pier Luigi Gilibert**, said: *"In this delicate moment for Italian companies, Banco BPM is the right partner to bring much-needed access to financing to those who need it. The support of the Juncker Plan and the excellent collaboration within the EIB Group will make sure that some 330 million euro in new loans will become available to Italian businesses. That's what we're here for, and we're glad to team up with BBPM to make that happen."*

Miguel Morgado, EIB Director of the Adriatic Sea Department, stated, *"We are pleased to sign the EIB Group's first mezzanine guarantee operation with BBPM. Thanks to our partnership with BBPM, Italian SMEs will be able to benefit from attractive financial conditions of our participation. This agreement combines EIF and EIB resources under the Juncker Plan to increase BBPM's support for Italian businesses, fostering job creation and economic growth"*.

Background Information

With over 22,000 employees and more than 1,700 branches, **Banco BPM** is the third largest banking group in Italy. It serves more than 4 million customers through a widespread distribution network and extensive multichannel model. Local assistance, which benefits from its strategic position in northern Italy, makes Banco BPM the national leader in various business sectors with high added value, with a unique position, a portfolio of highly recognised brands and opportunities for cross selling between the various product providers.

This agreement has been made possible thanks to the support of the European Fund for Strategic Investments (EFSI). The EFSI is the pillar of the [Investment Plan for Europe](#), known as the Juncker Plan. Its support increases the EIB Group's capacity to finance investment projects that, in line with the Juncker Plan's criteria, fosters the EU competitiveness and create new jobs. The Juncker Plan focuses on boosting investment to generate jobs and growth by making smarter use of new and existing financial resources, removing obstacles to investment, and providing visibility and technical assistance to investment projects.

The EFSI provides first loss guarantees, enabling the EIB to invest in more projects that often come with greater risks.. The [projects and agreements](#) approved for financing under EFSI are expected to mobilise EUR 408.4 billion in investments, of which EUR 65.4 billion is in Italy. The Plan is currently supporting 952,000 SMEs in the 28 Member States. More information on the results of the Investment Plan for Europe is available [here](#).

The **European Investment Fund** (EIF) is part of the European Investment Bank group. Its central mission is to support Europe's micro, small and medium-sized businesses (SMEs) by helping them to access finance. EIF designs and develops venture and growth capital, guarantees and microfinance instruments which specifically target this market segment. In this role, EIF fosters EU objectives in support of innovation, research and development, entrepreneurship, growth, and employment.

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