



Milan, Luxembourg, 23 June 2021

## **Post-COVID recovery: EIB and Intesa Sanpaolo join forces to unlock liquidity of €18 billion supporting the industrial supply chains**

- **This will benefit around 150 large corporates and mid-caps and more than 50 000 SMEs countrywide**
- **Pan-European Guarantee Fund (EGF) to back Intesa Sanpaolo (ISP) liquidity lines via factoring in support of the industrial supply chains**
- **Delivery to companies on a rolling basis over three years**

This agreement will help to unlock more than €18 billion in new funding for small and medium-sized Italian businesses to meet the challenge of recovery post-COVID-19. That is the impact of the agreement signed between the European Investment Bank (EIB) and Intesa Sanpaolo in what is the first transaction in Italy to support factoring operations thanks to the [Pan-European Guarantee Fund \(EGF\)](#), one of the European Union's instruments in response to the pandemic. Based on the amount of liquidity that will be supplied to businesses, this is the largest operation supported by the EGF in the European Union as a whole.

The EGF is a guarantee structure supported by 22 EU Member States, organised and managed by the EIB Group in partnership with leading European financial intermediaries to increase lending to the productive sector with credit lines on favourable terms and quickly disbursed.

The EIB-ISP operation enables companies to provide new liquidity to businesses by financing their working capital through [reverse factoring and confirming](#) products, specifically dedicated to the supply chains. Companies participating in individual supply chains have the possibility to cash in their trade receivables in advance or defer payment of their commercial debts through the bank's intervention.

The presence of the guarantee in fact enables Intesa Sanpaolo to invest further in the financial instruments available to the Italian supply chains, increasing both the amounts of the bank credits and the number of companies involved.

Intesa Sanpaolo offers companies in the supply chains an innovative and automatic digital service for confirming operations. It is expected for the buyer to place on the telematic platform managed by Intesa Sanpaolo the trade receivables it has recognised and intends to liquidate at fixed deadlines. Supply chain companies will then be able to benefit from advances on trade receivables automatically, continuously and on a specific date based on their liquidity needs at a given time.

The EIB guarantee through the EGF is €750 million and will cover 65% of a portfolio of confirming lines towards large debtors, consisting mainly of large corporates (over 3 000 employees) and mid-caps (between 250 and 3 000 employees), to be established by the end of 2021. Thanks to both the revolving impact of the underlying trade receivables recognised by large debtors (the average maturity of which is 90 days) and to a proven leverage effect, it is estimated that, on a three-year basis, support to SMEs for the supply chain finance cycle will reach around €18.2 billion. The EGF guarantee will ensure that the new Intesa Sanpaolo's factoring lines will have less of an impact on the bank's capital ratios, thus freeing up funds for regulatory purposes.

According to Intesa Sanpaolo's estimates, a total of over 50 000 SMEs and around 150 large corporates and mid-caps will benefit over the three-year period.



In the first months of EGF operations (October 2020-May 2021), the EIB approved €12.3 billion worth of fund guarantee operations that will support investments totalling €103.6 billion across Europe. This factoring line guarantee operation with Intesa Sanpaolo is the EIB's biggest in Europe.

*"The EIB has a strong and fruitful relationship with Intesa Sanpaolo in support of Italy's productive sector, as demonstrated by this major operation", said Miguel **Morgado**, Director for Lending Operations in Italy, the Western Balkans and Malta. "With the resources being made available the Bank aims to offer concrete, targeted assistance to the industrial supply chains, particularly to small and medium-sized businesses which are key players for the economic recovery, providing liquidity to turn this crisis into an opportunity to revive their productive capacity and boost their competitiveness. The Pan-European Guarantee Fund is a timely response to the pressing needs of the industrial sector and complements the Member States' own domestic efforts."*

*"To facilitate the recovery of our productive system, it is crucial to support the development and economics of the supply chains", said **Stefano Barrese**, Head of Domestic Commercial Banking at Intesa Sanpaolo. "Joining forces with the leaders of the supply chain, the whole network of SMEs can benefit substantially, for example by enhancing credit, increasing access to finance and broadening the scope of industrial projects, which involve the entire supply chain. This agreement, which is the first in Italy to support factoring operations, confirms the pivotal role of Intesa Sanpaolo as a bank for SMEs and, in particular, our leadership in factoring. In this way, we can further promote access to credit for SMEs in this phase of recovery of the production cycle, a crucial aspect of our Supply Chain Development Programme, which already numbers more than 800 with 20 500 suppliers across Italy."*

## **Note to editors**

### **EIB and EGF**

The European Investment (EIB) is the long-term lending institution of the European Union owned by its Member States. It makes long-term finance available for sound investment projects in order to contribute towards EU policy objectives. The Pan-European Guarantee Fund (EGF) was set up by the EIB Group with contributions from EU Member States to protect businesses affected by the COVID-19 pandemic. With almost €25 billion in collateral, the EGF enables the EIB and its subsidiary the EIF (European Investment Fund) to quickly make available loans, guarantees, asset-backed securities, equity capital and other financial instruments mainly to small and medium enterprises. The EGF is part of the European Union's recovery aid package aimed at providing a total of €540 billion to stimulate the parts of the EU economy most affected by the crisis. Its objective is to ensure that firms with sustainable business plans can obtain the necessary liquidity to overcome the difficulties caused by the pandemic. It is also designed to provide healthy businesses with the support they need to grow.

### **Intesa Sanpaolo**

Intesa Sanpaolo is the leading Bank in Italy and one of the soundest and most profitable banks in Europe. It offers commercial, corporate investment banking, asset management and insurance services. The Intesa Sanpaolo Group has approximately 13.5 million customers in Italy who are assisted through both digital and traditional channels and 7.1 million customers abroad with subsidiaries operating in commercial banking in 12 countries in Central Eastern Europe and Middle Eastern and North African areas and an international network of specialists in support of corporate customers across 25 countries. Intesa Sanpaolo is recognized as one of the most sustainable banks in the world. For the Group, creating value means being a driver for growth, for the benefit of both society and the economy. As regards the environment, the Group has set up a 6-billion-euro fund for the circular economy. Intesa Sanpaolo supports major economic inclusion and poverty reduction projects, including an impact fund of 1.5 billion euro for loans available to social groups



who struggle to access credit. Intesa Sanpaolo has a high level of involvement in cultural initiatives, organised by the Bank or in collaboration with other entities in Italy and further afield. These include permanent and temporary exhibitions showcasing the Bank's impressive artistic heritage at the Gallerie d'Italia, the Group's museums located in Milan, Naples, Vicenza and soon Turin.

## Press contacts

### EIB:

**Marco Santarelli**, Principal Adviser: [m.santarelli@eib.org](mailto:m.santarelli@eib.org),

Mobile: +39 331 6595594

Website: [www.eib.org](http://www.eib.org) – Press Office: Tel.: +352 4379 21000 – [press@eib.org](mailto:press@eib.org)



## INTESA SANPAOLO

### Media Relations

#### Intesa Sanpaolo

Banca dei Territori e Media Locali

[stampa@intesasanpaolo.com](mailto:stampa@intesasanpaolo.com)

[www.intesasanpaolo.com/en/news](http://www.intesasanpaolo.com/en/news)

News: <https://group.intesasanpaolo.com/en/newsroom/news> | Twitter: @intesasanpaolo | Facebook: @intesasanpaolo | LinkedIn: <https://www.linkedin.com/company/intesa-sanpaolo> | Instagram: @intesasanpaolo