

**PRESS RELEASE**

**INTESA SANPAOLO: BANK OF THE SMES.  
CORPORATE FINANCE, INTERNATIONALISATION, DIGITALISATION  
AND SUPPORT FOR INNOVATION AND STARTUPS  
ARE THE GUIDELINES FOR ENTERPRISES GROWTH**

**1 MILLION CUSTOMER COMPANIES OF THE “BANCA DEI TERRITORI”,  
INCLUDING 200 THOUSAND SMES.  
THE GROUP BROUGHT OVER 50 SMES TO THE ELITE PROGRAM  
AND FINANCED 2,500 STARTUPS**

- **A new drive to extend the footprint of SMEs abroad**
- **A new model of Intesa Sanpaolo’s branches for enterprises**
- **More than 1.6 billion euro for over 100 structured finance transactions in little more than one year**
- **5 billion euro credit-ceiling to support the Circular Economy**
- **B Heroes, Women Value Company, the programme for Italian excellence: three initiatives to strengthen relationships with enterprises**

*Milan, 16 January 2019* - Intesa Sanpaolo's new initiatives dedicated to the international growth and development of businesses were presented today in Milan at a meeting attended by **Stefano Barrese**, Head of the Group's Banca dei Territori Division, and Chief Economist **Gregorio De Felice**, together with **Nando Pagnoncelli**, President of Ipsos Italia. This was followed by a round table discussion with speeches by **Fabio Cannavale**, creator of B Heroes and CEO of lastminute.com Group, **Luca Peyrano**, CEO of Elite, and **Carlo Robiglio**, national President of Piccola Industria Confindustria.

The **Banca dei Territori Division of Intesa Sanpaolo has one million customer companies**. This group includes, together with the micro-retail enterprises, more than 200 thousand structured small and medium-sized enterprises that rely on the division as their point of reference for investing, innovating, size and international expanding, engaging in structured and extraordinary corporate transactions to access the capital market. Besides, the Banca dei Territori Division supports the growth of 2,500 startups registered to the Ministry of the Economic Development’s programs.

**The macroeconomic scenario and perceptions of the economy**

The current condition of Italian small and mid-caps, which account for 50% of Italian manufacturing exports, emerges from an Intesa Sanpaolo's Research Department study, and presented today by **Gregorio de Felice, the Group's Chief Economist**. SMEs play a key role in Italy's competitiveness by ensuring the greatest possible product diversification internationally. Thanks to the tight network of relationships across the regions and in the supply chains, the Italian model has been able to withstand the intense competitive pressure coming from emerging countries, with strong growth of the manufacturing trade surplus: from 31.5 billion euros tracked in 2010 to 98 billion euros expected in 2020, firmly placing Italy as the fifth country in the world major export ranking.

In recent years, a core group of winning enterprises has emerged thanks to advanced internationalisation and innovation strategies that have enhanced the expertise and talents of its human capital. In this period, where fears of a sharp economic downturn are raising, such factors behind these success stories need to be further strengthened, even through expansion. Tangible and intangible investments, creation of startups, training, and generational renewal will be crucial. Both Companies, both mature and newly created ones, run by a young management have indeed recorded the best results of growth and profitability.

This is also reflected in the data presented by **Nando Pagnoncelli, President of Ipsos Italia**. In fact, 96% of the SMEs interviewed in a survey *ad hoc* had made at least one investment in software, machinery, safety and security, energy savings, or communications in 2018 while in 2016, 79% of the respondents had made such an investment. The survey reveals that the digital revolution, process efficiencies and innovation are considered as priorities: 1 in 4 companies is already implementing specific programmes towards. The main obstacle to implementation, more than the lack of technical skills, is a certain resistance to change and, in general, a static nature of the company's culture.

The report also points out that in 2018 the confidence SMEs have in the banking sector has increased significantly, and the confidence in the banks they rely on has remained high. The bank's role in achieving growth objectives is becoming increasingly important, especially for medium-sized businesses: support from the bank leads to greater investment and entry into new markets, but also provides an important contribution to employee development objectives that are essential for the company's business and for its digitalisation.

### **Corporate finance and new loans**

Intesa Sanpaolo remains the driving force behind the growth of Italian enterprises, contributing to increasing the value of *Made in Italy* throughout the world. Significant support was provided to SMEs in the Industria 4.0 government program in particular, with related loans for more than **1.3 billion euro** on more than 4,800 requests.

Size expansion is a vital element for the success of Italian SMEs. For this reason Intesa Sanpaolo, which has always aimed to leading Italian companies' growth, created a specifically devoted team to Structured Finance and Advisory for SMEs. Thanks to the synergy between the Group subsidiaries Banca Imi and Mediocredito Italiano, such team meets complex strategic and financial needs of clients with up to 350 million euro turnover, that is the enterprises' cluster served by the Banca dei Territori Division headed by Stefano Barrese.

Inside Banca Imi, the Investment Banking unit for SEMs is aimed at Mergers & Acquisitions, Equity Capital Markets and Debt Capital Markets and, despite being in a prudent market in 2018, has distinguished itself in the mid-cap segment for the number of IPOs and capital increases in the Italian market.

Mediocredito Italiano, according to the Merger Market League Table, was the number one bank in Italy and the sixth in Europe for the number of Acquisition Finance transactions supported in 2018 for SMEs.

### **The new model of branches for enterprises**

To meet new emerging demands, the Group is now transforming the way it services businesses by drawing on the ever-increasing specialisation of its 2,000 relationship managers and support specialists located in over 200 operating centres throughout the country.

Intesa Sanpaolo is also revamping the physical spaces of its customer reception model: new concept design layouts are being introduced in the branches for enterprises and SMEs as already done since the end of 2015 with a successful new setting for retail branches.

The new layout of branches for enterprises will in fact be gradually rolled out to the Group's main branches in Italy: the flagship branch in via Cusani in Milan and the one in via Camozzi in Bergamo operate since last December. The new layouts include comfortable lounges and furnishings, light-filled and transparent areas developed around large workspaces that are welcoming even on those occasions where even this type of customer needs to come to the branch. The front desk reception service offers an immediate sense of direction and the layout of the meeting areas provides the necessary level of privacy for meetings with a relationship manager. State-of-the-art facilities that are also equipped with a videoconferencing system for meetings not only with customers, but also with their staff and/or sector specialists.

### **A project to guide SMEs throughout the world**

On the strength of these figures, Italy's top banking group made further investments in SMEs to support their internationalisation. Intesa Sanpaolo has always supported the companies' domestic and world growth through its network which operates in all the major markets: with a foreign network consisting of subsidiary banks, corporate branches and representative offices, the Group has a consolidated presence in nearly 40 countries and coverage in 85 countries, due to collaboration agreements with other banks.

Italian companies that are planning to embark on an internationalisation process, whether directly or through their foreign associates, can count on the advice of specialists dedicated to financial support and the needs of Trade and Cash Management through the Italian Desks of their foreign branches. The cooperation with SACE (CDP Group) was also strengthened with the signing of three agreements aimed at increasing cooperation to provide support to companies at every stage of their international development, including medium/long-term "International+" financing from Mediocredito Italiano, for which credit with a ceiling of **100 million euro** has been allocated.

### **Not only credit. Advisory programs**

This new approach to banking goes beyond the traditional granting of credit, which remains essential but not the only activity, to support entrepreneurs both by strengthening their stability and relaunching the country's economic development so to enhance the domestic market and boost the enterprises international business development to assert Italy's primacy. Active for this purpose is **Intesa Sanpaolo Forvalue**, which specialises in non-financial advisory services that, together with market-leading partners, helps companies on the path to change, to new skills, and to innovation and operational efficiency by moving from the concept of ownership of certain assets to that of using them through long-term leases, also from the perspective of digital modernisation towards 4.0. In addition, Intesa Sanpaolo Forvalue, through a networking platform, offers training content, expert information and useful insights on business management and development within the exclusive context of the Club which already has around 1,500 member companies. Likewise, through the **Intesa Sanpaolo Formazione** subsidiary, Italy's leading banking group has extended its range of offerings to provide complete support for business and entrepreneurial development through the use of the best training programmes offered in partnership with the best providers. Starting in 2015, the Skill4Business training line involves today about 3,200 companies and counting over 46,000 training hours related with internationalisation and digitalisation. Soon joined The **Skill4Capital platform** will soon be available, focusing on capital and intangible assets.

### **Support for research and innovation**

The Intesa Sanpaolo Group aims to support SMEs in the best possible way, even in times of **discontinuity and change** in terms of growth, digitalisation and generational transition. This also includes support for startups and for business innovation programmes through Intesa Sanpaolo Innovation Center and the specialist structures of **Mediocredito Italiano**.

**Intesa Sanpaolo Innovation Center** is the Group company that aims to accelerate the economic development of Italian companies by transmitting skills and methodologies through a network

capable of supporting innovative startups in their acceleration, scalability and internationalisation processes. This also includes the activities of **Neva Finventure Fund**, which invests in and accelerates high potential startups through Corporate Venture Capital and shareholding stakes. The Group places great emphasis on the transition of the productive ecosystem toward the **Circular Economy**, by a **5 billion euro credit-ceiling** for the most innovative initiatives in this field.

In terms of support for **Research & Innovation**, the Mediocredito Italiano subsidiary is the leader in this field, both in terms of subsidised loans and through direct financing from the bank, thanks to a team of engineers, EU certified appraisers, with specialist skills acquired over 50 years of managing public funds dedicated to R&I.

With regard to public incentives and research facilitations, Mediocredito Italiano is the concessionary bank for managing the facilitations granted by the Ministry for Economic Development through the Sustainable Growth Fund, with a 30% share after having evaluated about 230 projects totalling over 1 billion euro in investments, with respect to more than 3 billion euro allocated by the Ministry.

In addition to this activity, through the specialist tool Nova+, more than **1.8 billion euro** was granted directly by the bank **to support 1,600 projects with investments in R&D totalling 3.3 billion euro** (more than 40% of which was to support SMEs), which confirms the strategic nature of Intesa Sanpaolo Group's support for Research and Innovation.

### **Beyond credit: the value of intangibles**

Intesa Sanpaolo's objective is to strengthen its relationships with local businesses by building partnerships and promoting entrepreneurial initiatives thanks to targeted and expert advice: the adoption of a qualitative questionnaire to assess creditworthiness is a qualifying and distinctive element, which has also been endorsed by the ECB, for assigning a rating that includes the assessment of intangible elements that cannot be quantified in any other way. This will make it possible to highlight the "virtuous" approaches of SMEs in their rating assessment as well. Since the adoption of the new questionnaire already more than 20,000 customers had the opportunity to enhance, in their rating assessment, at least one qualitative asset such as patents, certifications, innovation, supply chains belonging.

The **Industrial Dialogue** relational approach also supports the "beyond banking" attitude: it allows business managers to work alongside entrepreneurs on their paths to growth and development, thanks to a better understanding of the unique characteristics of their companies and the sector in which they operate, and to the possibility of providing answers and solutions that are suited to their objectives. The "strength of the relationship" with companies is therefore enhanced, thus improving the bank's proposition towards the company that is more consistent with its needs, both financial and non-financial, and promoting the creation of a sustainable business for both parties.

With important partnerships and specific programmes that support the supply chain and projects in the circular economy that benefit the country's economic system, Intesa Sanpaolo is the partner for disseminating business culture and enhancing the sectors and districts that are strategic to the Italian economy (e.g. Tourism, Fashion, Agri-food, Innovation, Digitalisation): the **Supply Chain Programme**, forerunner to Intesa Sanpaolo's new way of banking, is a form of innovative credit that has made it possible for suppliers who form the production chain of Made in Italy excellence to have access to credit, providing them with the opportunity to exploit the value of belonging to the chain when assessing their ratings so as to improve the terms and conditions for accessing credit and the certainty of payments. The Programme, which has been in place since 2015, has been enriched with the new **Confirming** tool, which allows the receivables due to suppliers to be factored to the "Chain-leader" Company (through a without-recourse factoring transaction), thus optimising working capital management within the production chain and effectively transferring the risk to the "Chain-leader" Company or to the buyer. This mechanism rewards businesses' ability to

network in the region, which is a distinctive characteristic of Italian manufacturing excellence: in fact, at 31 December 2018, **630 contracts had been signed with Chain-leader companies**, 258 of which were signed on to Confirming, with more than 92,000 employees, potentially more than 15,200 suppliers and a turnover of more than 70 billion euro.

The Group has invested in human capital development by establishing the **Welfare Hub**, a platform for managing corporate welfare programmes, to which about **800 companies** with over **40,000 employees** have already committed and which has paid out bonuses amounting to 6.5 million euro.

### **The three Intesa Sanpaolo enhancement programmes**

Intesa Sanpaolo has developed, in synergy with other operators, specific programmes to enhance the growth of SMEs in Italy:

#### **1 Programme for the enhancement of Italian excellence - first edition**

Kicking off in the next few days is the **first edition** of Intesa Sanpaolo's new programme for the enhancement of Italian entrepreneurial excellence, i.e. those companies that have excelled in terms of growth and for their contribution to Italy's development. The Group will provide visibility and recognition to the most virtuous companies in the initiative's three categories (Food & Beverage, Fashion & Design, Industry and Services) during a major event that will be held between May and June, in collaboration with key partners, and will also provide the companies with development support programmes, such as dedicated advisory services, courses in the Elite programme, and the opportunity to meet international partners.

#### **2 B Heroes - second edition**

It is the acceleration programme for startups conceived by Im Foundation and supported by Intesa Sanpaolo and Intesa Sanpaolo Innovation Center which is the main partner for the second year running. Its aim is to foster growth of highly innovative companies operating in Italy. 542 startups applied to participate in the first edition in 2018: over the course of eight months, 12 of them were selected and evaluated by successful Italian entrepreneurs, managers and innovators, collecting a total of more than 20 million euro from investors. At the end of the programme, the best startup received a final investment of 800,000 euro. Selections for the **second edition** of the programme have already begun with 650 startups applying in the initial phase and 40 semi-finalist startups being selected on 15 and 16 January. The acceleration programme will end in the first half of 2019 with a minimum final investment for the best entrepreneurial initiative of 500,000 euro. In line with the last year edition, also in 2019, the Innovation Center's corporate venture capital Neva Finventures will evaluate investment opportunities in the startups taking part in the programme. B Heroes is also a tv format on SkyUno channel featuring the most 20 talented attending startups.

#### **3 Women Value Company - third edition**

An initiative aimed at promoting gender equality with the objective of providing the business world with an insight into female empowerment, putting the spotlight on the best and most innovative practices out there. Set up by the Marisa Bellisario Foundation and Intesa Sanpaolo, the award, which targets small and medium-sized private and public businesses, is in its **third edition** this year, and after collecting around 1,000 applications in the previous editions, it plans to continue to promote the implementation of practical and innovative policies for managing *gender diversity*. At the end of this third edition, Intesa Sanpaolo will select and host *pink* enterprises in a Elite Lounge.

### **Strategic agreements and partnerships to support SMEs**

Intesa Sanpaolo has developed a strong partnership with **Elite of Borsa Italiana** which is the ideal partner to support SMEs in their growth process, not only in terms of size, but also in terms of culture and relationships. During 2018 the bank brought 53 companies to two Elite Lounges

representing all of Italy and showcasing outstanding sectoral diversification. These companies are the embodiment of Italian excellence that Intesa Sanpaolo, together with its partners Elite and Confindustria, wants to help promote and introduce to the world.

Last April, the Addendum to the 2016-2019 Agreement was signed together with **Confindustria Piccola Industria** which gives further impetus to a well-established ten-year collaboration aimed at spreading a new business culture, promoting economic, social and environmental sustainability and encouraging the qualitative development processes of SMEs. The partnership with Confindustria Piccola Industria, which began in 2009, is testament to the extensive collaboration with associations as a means of developing businesses.

Thanks to its collaboration with the **European Investment Bank** (EIB), the Group is stepping up its efforts to support the financing of Italian businesses through Mediocredito Italiano, the sole manager of EIB funds for Banca dei Territori: since 2017, **new agreements** have been signed for the disbursement of approximately **1.5 billion euro**, mainly to SMEs and mid-caps, and for special projects in the agri-industrial, agri-food and energy-efficiency sectors.

In 2018, the Group signed an agreement with the **European Investment Fund** (EIF) which provides for the creation of a portfolio with an Innovfin guarantee for new financing of up to 300 million euro in connection with research, innovation and development projects.

Since July 2018 Intesa Sanpaolo has started a new business through tranching cover transactions, i.e. portfolios of newly disbursed loans guaranteed by the **Guarantee Fund** for SMEs, structured in two tranches. The Group was admitted to the Fund for four portfolios with a total loan value of **1.2 billion euro**. To date, Intesa Sanpaolo's commitment is the largest in the Italian financial arena, confirming its crucial role as the driving force behind the country's real economy.

**Stefano Barrese, Head of the Banca dei Territori Division of Intesa Sanpaolo:** *“The role of a large bank is to support the country's economic system by providing credit in every phase of the economy, even in the most difficult ones: Intesa Sanpaolo has always done so, both during the years of the crisis and during the recovery. We now need to take one more step, specifically towards enterprises that are the backbone of our country, to propose solutions that go beyond credit and look to the future of Made in Italy and its expansion throughout the world. We want to increase our sphere of influence over our 200 thousand SME customers and the one million companies we serve. In fact, today Intesa Sanpaolo is not only a financial reference point for the business and association communities, assisting customers in identifying new common approaches and participating in the entire company's lifecycle, from its founding to all the crucial phases of its growth, which is also the growth of our country, in a model of solid and lasting relationships, based on quality, reliability and trust.”*

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