

Italian: UniCredit and the EIB 200 million euros to support SMEs and Mid-Caps through the Covid-19 emergency



©Shutterstock

UniCredit and the European Investment Bank (EIB) agreed to provide new resources aimed at stimulating the recovery of the economy hit by the pandemic.

They have just signed an agreement that will see the EIB allocate 200 million euros to UniCredit, to lend in turn to SMEs (companies with up to 250 employees) and mid-caps (up to 3,000 employees).

The new credit line is designed to tackle the current emergency and can be used to fund new investment projects over periods of up to five years and to cover working capital needs, in light of this extraordinary period for the Italian economy.

The funding is intended for companies all over Italy, in all production sectors: agriculture, handicrafts, industry, commerce, tourism and services.

The EIB funds can be used for projects with individual costs of up to 25 million euros, and cover 100% of costs not exceeding 12.5 million for each project.

UniCredit and the EIB have agreed to apply extraordinary eligibility criteria to this credit line for companies.

Specifically, the loans can be used to finance working capital, including salaries, taxes, pension contributions, administrative and other operating costs, as well to provide multifunctional credit lines, even for extending or renewing existing working capital financing. Only purely financial and/or property transactions are excluded.

The credit line complements the support provided by the Italian 'Liquidity Decree', meaning that the EIB funds can be combined either with the direct guarantee from the SME Guarantee Fund or from SACE (the publicly participated Italian agency for exports and internationalization), with obvious benefits when it comes to final pricing.

The new agreement between UniCredit and the EIB follows on from a series of recent deals to support SMEs, mid-caps and agricultural businesses in Italy.

In the last five years, UniCredit has channelled about 5 billion euros in EIB funding to Italian companies, financing more than 4,000 projects.