

# Covid-19 Emergency:

## *CDP and SACE measures*

# Cassa Depositi e Prestiti Group



## CDP Group Highlights (2018)

Total assets <b>438</b> EUR Bn	Loans <b>100</b> EUR Bn	Postal funding <b>260</b> EUR Bn
Equity <b>36</b> EUR Bn	Equity portfolio <b>34</b> EUR Bn	Non-Postal funding <b>93</b> EUR Bn

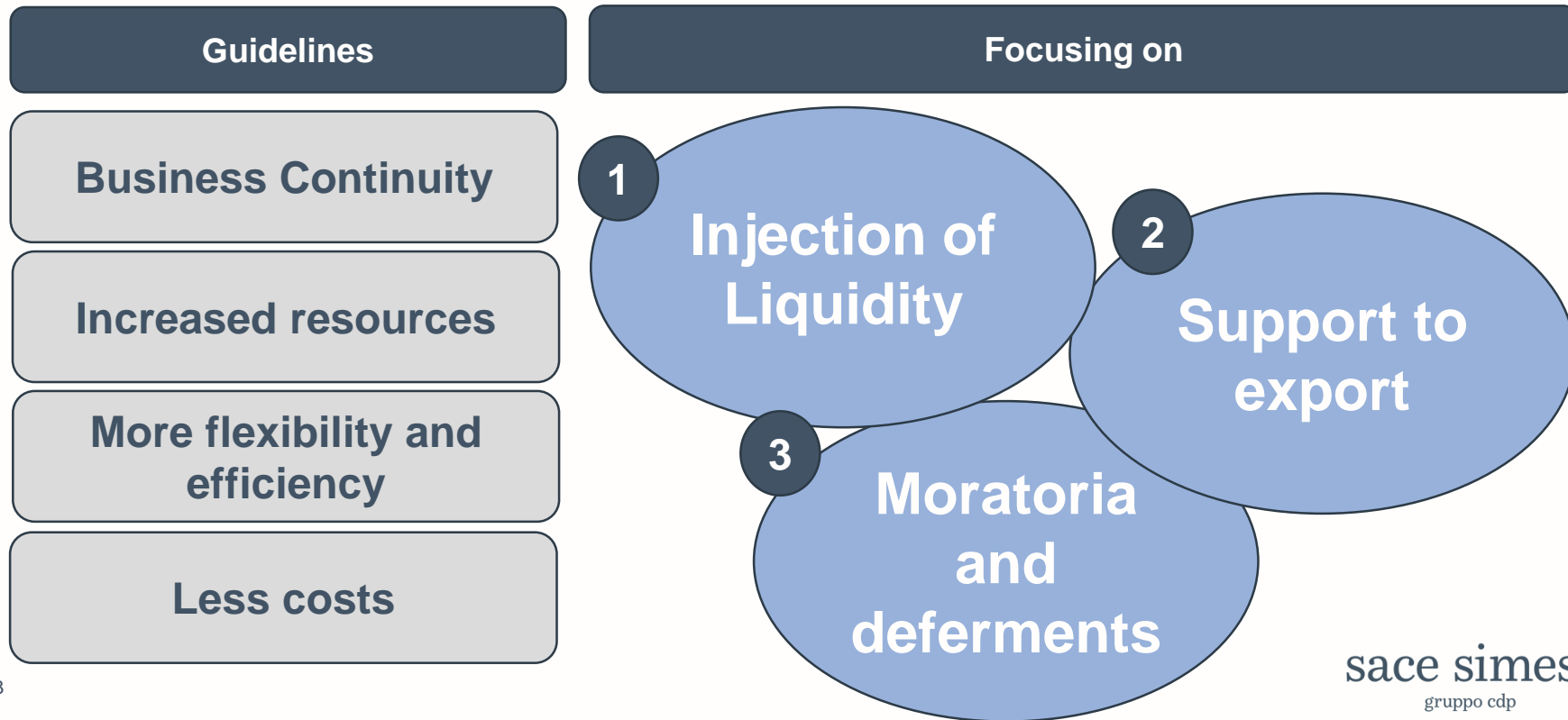
## SACE Group Highlights (2018)

Insured transactions <b>114</b> EUR Bn	New commitments <b>28</b> EUR Bn	N. Customers <b>21.000</b>
Equity <b>5,5</b> EUR Bn	Gross premiums <b>0,86</b> EUR Bn	Net Income <b>0.16</b> EUR Bn

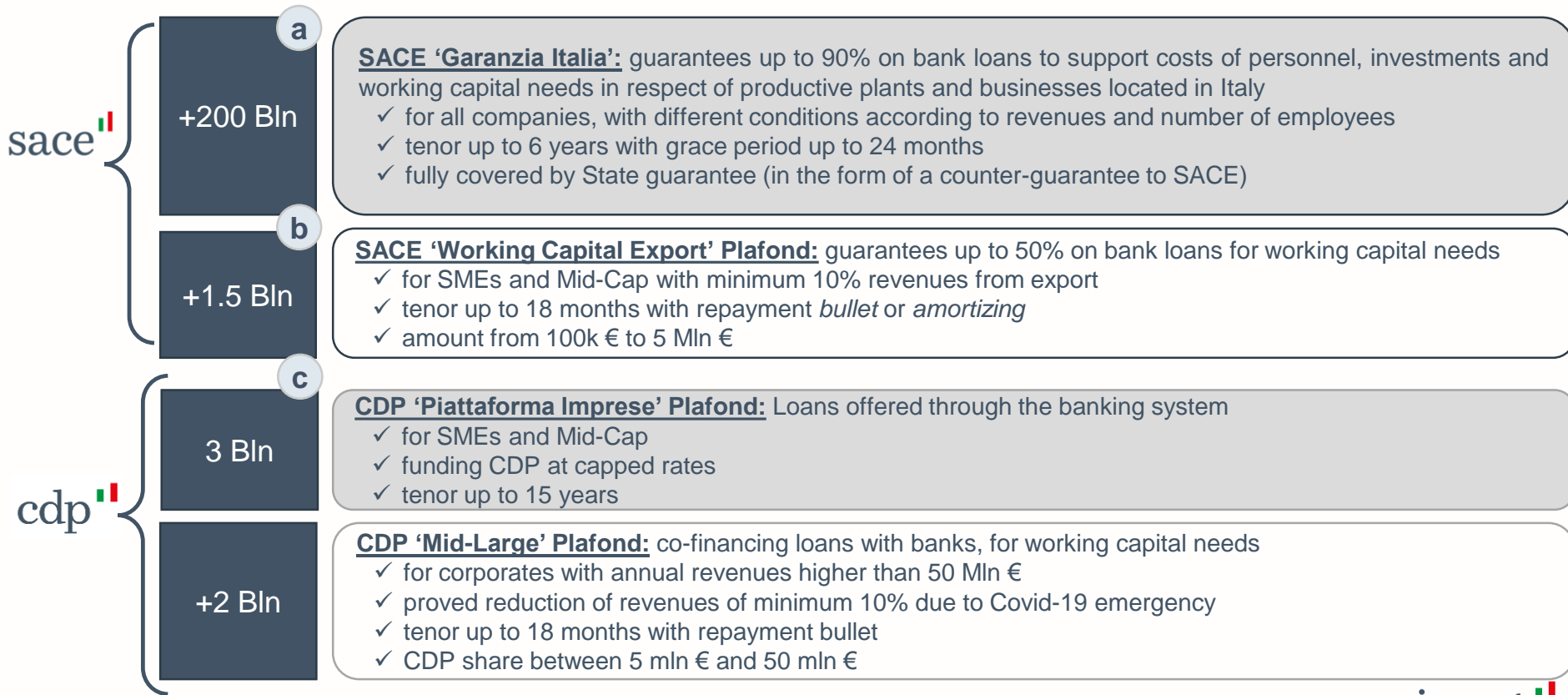
sace simest  
gruppo cdp

# Covid-19 Emergency measures: guidelines and interventions

The measures devised by CDP Group itself and pursuant to Government decrees "Cura Italia" and "Liquidità" have strengthened SACE's role in managing and issuing State guarantees on loans



# 1 New measures to inject liquidity to Italian Companies



## 2 New measures for export and internationalization

2 Bln

a

### Increased credit limits for SACE Push Strategy and SACE Multi-tied Buyer Credit

- ✓ to promote the procurement from Italian SMEs by large and strategic foreign buyers
- ✓ SACE will arrange business matching events

+500 Mln

b

### Additional plafond on SACE Supplier Credit

- ✓ minimum level of SACE Premium according to OECD guidelines
- ✓ no application fees and no costs for preliminary credit assessment of the buyer.

+200 Bln

### Increased capacity for SACE

- ✓ SACE issues policies and guarantees in its name and on behalf of MEF, bearing 10% of risk
- ✓ 90% of SACE current exposure is transferred to the MEF
- ✓ Based on SACE Risk Appetite Framework, SACE is able to take more risks

+400 Mln

c


Replenishment of the Fund managed by SIMEST on behalf of MAECI for Soft Loans supporting internationalization plans

50%

Separate section of Fund L. 394/81 for non-repayable co-financing loans up to 50% of granted soft loans \*

*Work in progress*

### 3 Moratoria and deferments (1 of 2)

sace  { **+12 months** **Moratorium** on medium-long term loans covered by SACE and granted by those banks that support the initiative (SACE will adhere to more favorable initiatives promoted by ABI)

- Costs

**Insurance policies for sureties, construction risks and credit risks:** Deferment of

- ✓ payment terms for the insurance premium
- ✓ payment terms for application fees
- ✓ further fulfillments included in the insurance policy

+2 months

Automatic deferment of terms (validity) set in contracts of all insurance policies

+ efficiency

Issuance of guarantees in favour of foreign buyers selling to Public Entities (e.g. Italian Regions) medical equipment and other goods\*

*Work in progress*

+6 months

Extension of deferred payment terms agreed in the insurance policies

\* 'Cura Italia' Decree, art. 59. The implementing rules of the Decree will establish intervention's criteria, methods and conditions

### 3 Moratoria and deferments (2 of 2)

simest 

+12  
months

**Disbursed Soft Loans:** moratorium on repayments for year 2020

+6  
months

**Approved Soft Loans not yet disbursed:**

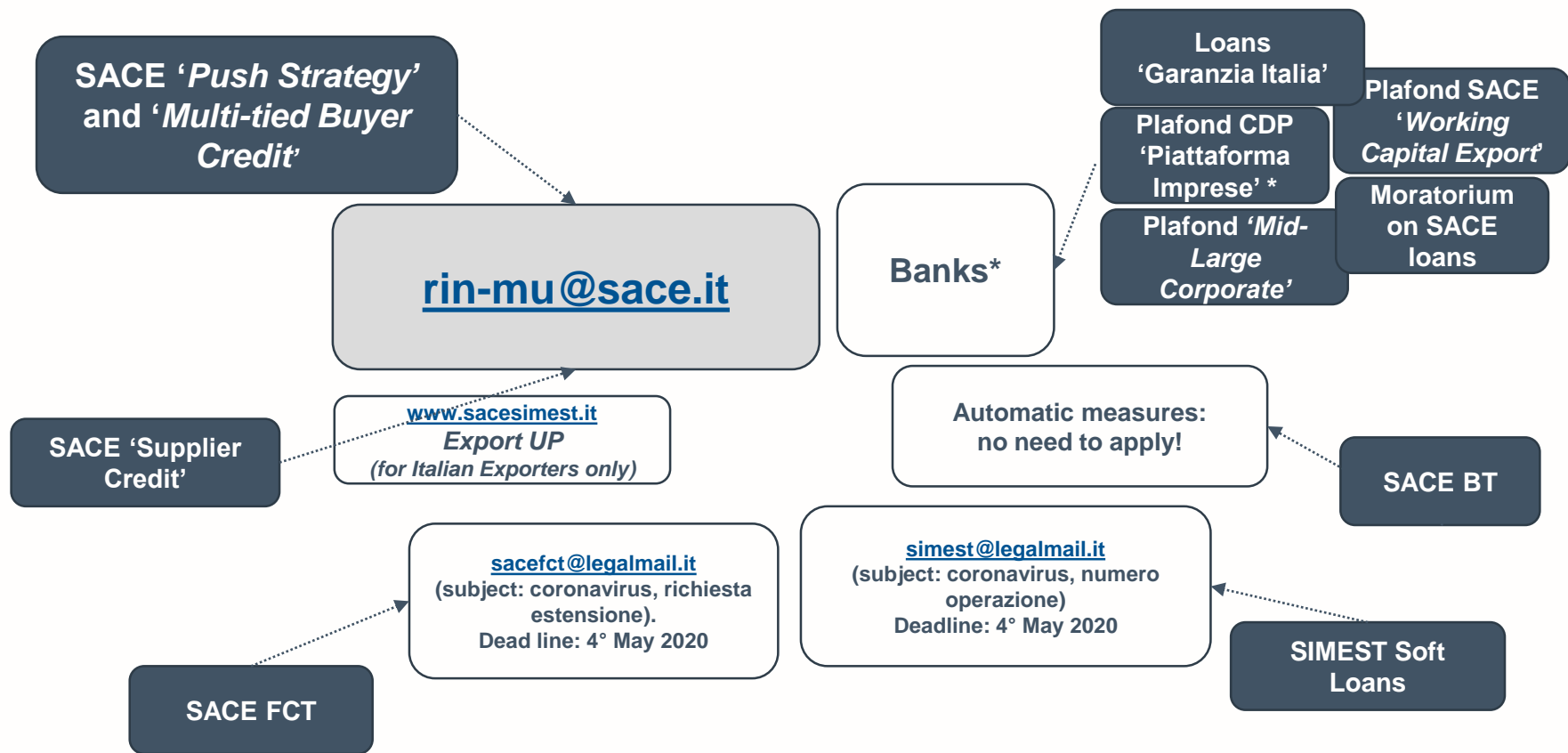
- if the initiative to be financed through the loan has been postponed
  - ✓ deferment of terms to submit the documentation and expense sheets
  - ✓ deferment of grace period and repayment period
- if the initiative to be financed through the loan has been cancelled
  - ✓ no fees (2% of revoked amount) on loan's portion not utilized

- COSTS

cdp 

Moratorium and restructuring on loans to Public Entities

# CDP Group measures: how to get more info and to apply



\* [www.cdp.it/resources/cms/documents/Piattaforma%20Imprese\\_Lista%20Banche%20Contraenti\\_11.11.2019.pdf](http://www.cdp.it/resources/cms/documents/Piattaforma%20Imprese_Lista%20Banche%20Contraenti_11.11.2019.pdf)



# Thanks

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# Annex: details on main measures

1

Liquidity measures for Italian companies

a

New SACE 'Garanzia Italia'

b

New SACE 'Working Capital Export' Plafond

c

CDP 'Piattaforma Imprese' Plafond

2

Support to export and internationalisation of Italian Companies

a

SACE Push Strategy and SACE Multi-tied Buyer Credit

b

SACE Supplier Credit

c

SIMEST Soft Loans

# 1<sup>a</sup> Garanzia Italia: how it works (1 of 3)

+200 Bln

**SACE 'Garanzia Italia'**: guarantees up to 90% on bank loans to support costs of personnel, investments and working capital needs in respect of productive plants and businesses located in Italy

- ✓ for all companies, with different conditions according to revenues and number of employees
- ✓ tenor up to 6 years with grace period up to 24 months
- ✓ fully covered by State guarantee (in the form of a counter-guarantee to SACE)

Among the new measures introduced by the 'Decreto Liquidità', until Dec-2020 SACE is offering **200 Bln € guarantees – fully covered by sovereign guarantee –** to support loans offered by the banks to **all Italian companies**

**Loans with tenor up to 6 years** and grace period up to 24 months, with SACE guaranteeing from 70% to 90% of the overall amount, depending on the size of the company



# 1 <sup>a</sup> Garanzia Italia: how it works (2 of 3)

**Eligibility:** the Italian company as of Dec. 31st 2019 must **not classified as an undertaking in difficulty** and (b) the related financial exposure of which was **not classified as “distressed debts”** (“crediti deteriorati”) as at 29 February 2020. SMEs, to benefit from this measure, must have already used up Fondo Centrale di Garanzia’s\* availability allocated for them

The borrower shall contractually commit not to distribute dividend the year 2020. In addition, the borrower shall manage its employment levels through union agreement

**The amount of the loan** guaranteed by SACE may not exceed the higher of\*\*:

- a) **25% of the borrower’s turnover in Italy** for the financial year 2019; OR
- b) **two times the borrower’s cost of personnel incurred in Italy** in the financial year 2019

**“Garanzia Italia” loans shall finance:**

- a) costs of personnel
  - b) Investments
  - c) working capital needs
- regarding productive plants and businesses **located in Italy**, as certified by the borrower’s legal representative

*\*Fondo Centrale di Garanzia (FCG) is a State-backed fund providing financial guarantees to banks for loans to SMEs.  
For Covid 19 emergency FCG will issue guarantees on 100% of bank loans up to € 800,000*

# 1 <sup>a</sup> Garanzia Italia: how it works (3 of 3)

SACE guarantee cover*	≤ 1.5 bln € annual turnover	≤ 5 bln € annual turnover	> 5 bln € annual turnover
< 5,000 employees In Italy	90%	80%	70%
≥ 5,000 employees In Italy	80%	80%	70%

**Costs:** SACE guarantee fee is predetermined:

- **SMEs:** (i) 25 bps for the first year, (ii) 50 bps for the second and third year and (iii) 100 bps for the remaining years
- **Non-SMEs:** (i) 50 bps for the first year, (ii) 100 bps for the second and third year and (iii) 200 bps for the remaining years

**Banks shall limit their fees to cover costs and expenses** and pricing applied to SACE-backed financing shall be documented as being lower than in absence of SACE guarantee

\* If group, turnover and employees number requirements to be verified at consolidated level

# 1 <sup>b</sup> SACE short term guarantees for working capital: how it works

+1.5 Bln

**SACE 'Working Capital Export' Plafond:** guarantees up to 50% on bank loans for working capital needs

- ✓ for SMEs and Mid-Cap with minimum 10% revenues from export
- ✓ tenor up to 18 months with repayment *bullet* or *amortizing*
- ✓ amount from 100k € to 5 Mln €

SACE provides a **financial guarantee for up to 50% of the loan amount aimed at financing working capital needs** (loan tenor: up to 18 months, no limits on amount)

**Standard documentation and fast approval process** upon bank's request. **SACE does not charge to the company additional costs for the guarantee**, but the bank transfers to SACE part of its remuneration (pro quota) on the loan

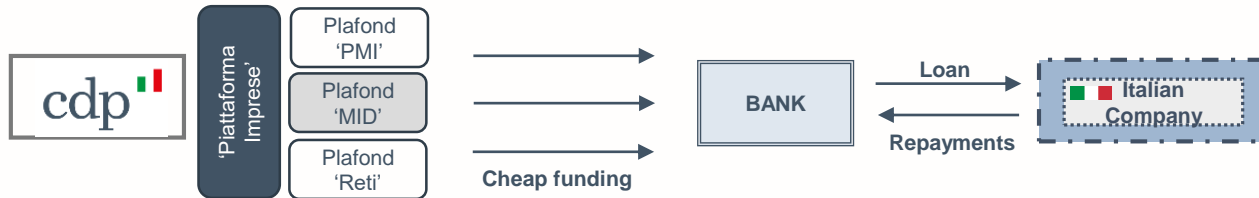
**Eligible companies:** Small and Medium exporting companies with annual revenues up to € 500 mln, and active supply orders from abroad, which have been negatively affected by Covid 19 emergency.



3 Bln

**CDP 'Piattaforma Imprese' Plafond:** Loans offered through the banking system

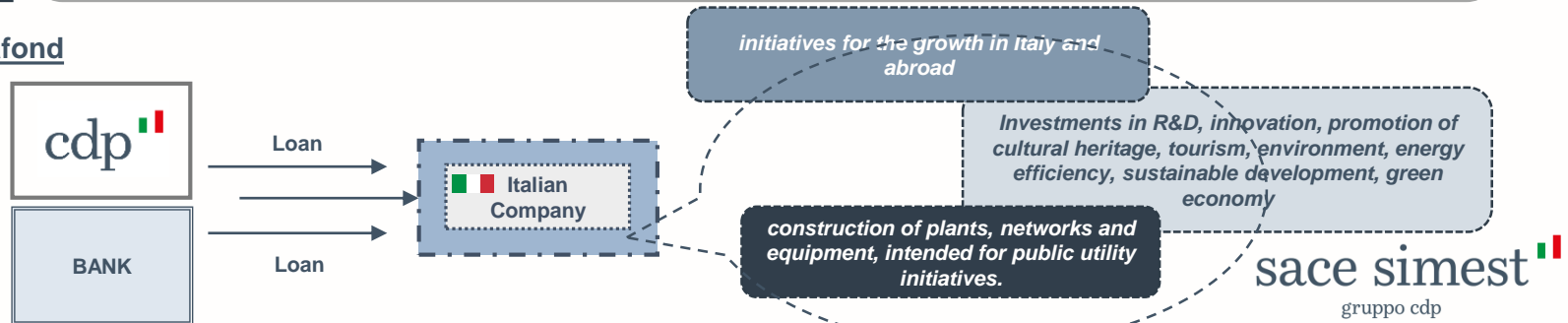
- ✓ for SMEs and Mid-Cap
- ✓ funding CDP at capped rates
- ✓ tenor up to 15 years



+2 Bln

**CDP 'Mid-Large' Plafond:** co-financing loans with banks, for working capital needs

- ✓ for corporates with annual revenues higher than 50 Mln €
- ✓ proved reduction of revenues of minimum 10% due to Covid-19 emergency
- ✓ tenor up to 18 months with repayment bullet
- ✓ CDP share between 5 mln € and 50 mln €

**Mid Large' Plafond**

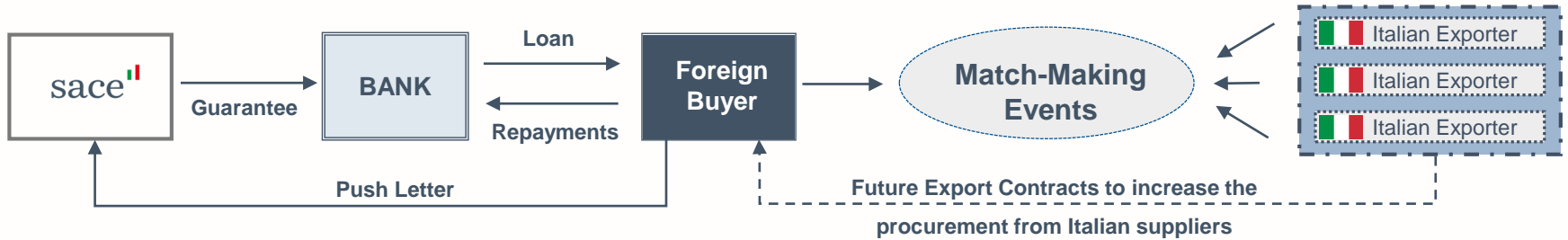
## 2<sup>a</sup> Push Strategy and Multi-tied Buyer Credit: how they work

2 Bln

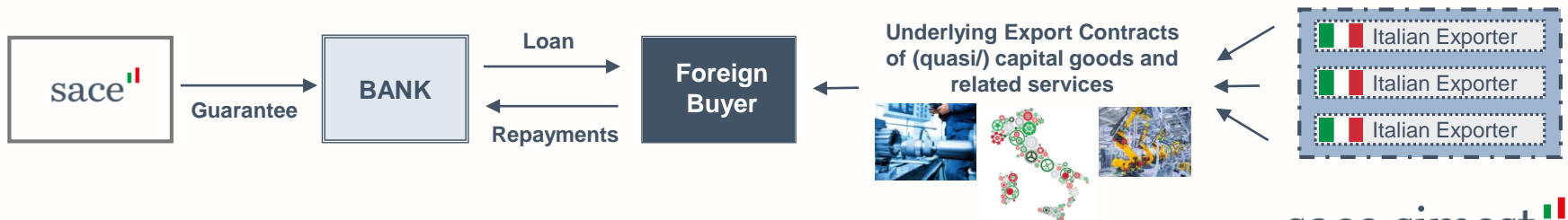
### Increased credit limits for SACE Push Strategy and SACE Multi-tied Buyer Credit

- ✓ to promote the procurement from Italian SMEs by large and strategic foreign buyers
- ✓ SACE will arrange business matching events

#### Push Strategy: untied financing



#### Multi-tied Buyer Credit: tied financing





## 2<sup>b</sup> Supplier Credit: how it works

+500 Mln

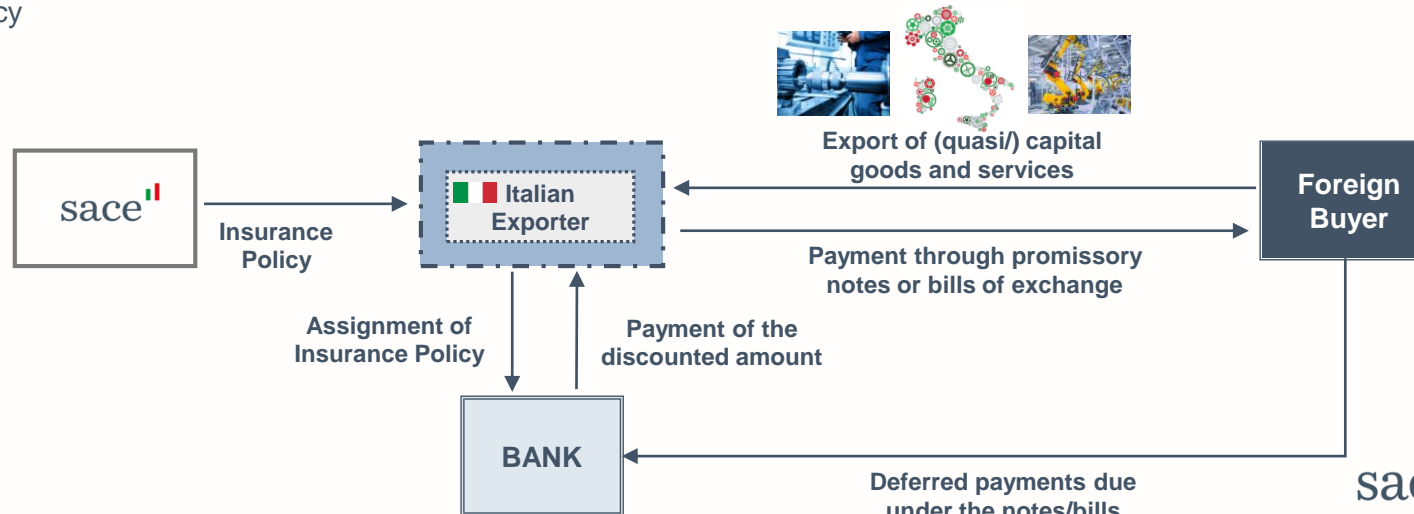
### Additional plafond on SACE Supplier Credit

- ✓ minimum level of SACE Premium according to OECD guidelines
- ✓ no application fees and no costs for preliminary credit assessment of the buyer.

SACE has added **500 Mln € funds** for the **Supplier Credit**: a product supporting export of capital and semi-capital goods and related services for small-medium size contracts up to relevant amounts (~5 Mln €)

The Italian exporter can grant longer terms for deferment payments to its foreign clients (5 years)

SACE offers free preliminary assessment of foreign client's creditworthiness to help Italian companies in facing the Covid-19 emergency



## 2<sup>C</sup> Soft Loans for internationalization initiatives: how they work

+400  
Mln

Replenishment of the Fund managed by SIMEST on behalf of MAECI for Soft Loans supporting internationalization plans

50%

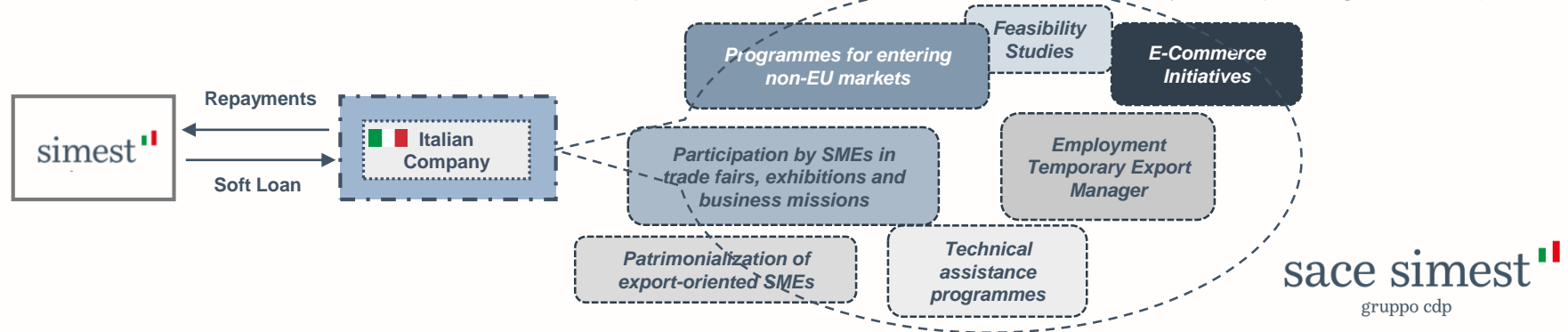
Separate section of Fund L. 394/81 for non-repayable co-financing loans up to 50% of granted soft loans \*

SIMEST offers Soft Loans to support Italian companies that want to enter in new markets abroad. These loans are granted through the Fund L. 394/81, managed on behalf of MAECI.

The Fund L. 394/81 has been just replenished with **400 Mln €** and an additional increase of **further 400 Mln €** is under study.

An additional measure in the pipeline is the creation of a separate section of the Fund L. 394/81 for **non-repayable co-financing loans**. These new loans will be granted to companies already financed with ordinary soft loans, for an additional amount up to 50%

The subsidised interest rate on SIMEST Soft Loans is equal to 10% of EU Reference Rate (i.e. currently corresponding to 0.069%)



# Disclaimer

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