

FINLOMBARDA S.p.A.

Finanziamo lo sviluppo della Lombardia

**EXPERT WORKING GROUP
OF THE EAPB STRUCTURAL FUNDS**

KICK-OFF MEETING

Brussels, 11 October 2023



□ PRESENTATION OF DRAFT TEMPLATE

Draft template: Part a) Planning Data

Name of Financial Institution in EAPB	Name of Financial Instrument
---------------------------------------	------------------------------

FUNDS	Programme allocation (in M€)	Financial instrument allocation in RP (in M€)	Note
ERDF	€ -	€ -	1/2/3
EARDF	€ -	€ -	1/2/3
ESF+	€ -	€ -	1/2/3
COHESION FUND	€ -	€ -	1/2/3

NOTES FOR COMPILATION

Replicate the sheet "Instrument 1" for each financial instrument for which at least one of the following events has occurred:

1. the call has been published (where applicable);
2. the ex ante evaluation has been transmitted;
3. the resolution of the board/law establishing the financial instrument/fund has been approved

Draft template: Part b) Financial Instrument description (1/4)

DATA AS AT 30 SEPTEMBER 2023

<input type="checkbox"/> Resource source	ERDF /EARDF / ESF / Other (in note)
<input type="checkbox"/> Name of the financial instrument	
<input type="checkbox"/> Status al 30 September 2023	<ul style="list-style-type: none"> • Announcement published • Ex ante evaluation transmitted • Approval of the Board resolution / Law establishing the Instrument/Fund • Other (in note)
<input type="checkbox"/> Priority / Specific Objective (SO)
<input type="checkbox"/> Main purpose	<ul style="list-style-type: none"> • Increase in welfare services • Business start-up • Social inclusion • Energy Efficiency investments • R&D and Innovation investments • Business development Investments • Employment and labour market mobility • Promotion of social entrepreneurship • Support for business capital in start-up/expansion/development phases • Development of disadvantaged communities • Working Capital • Other (in note)
<input type="checkbox"/> Final recipients	<ul style="list-style-type: none"> • SME • Large enterprises • Social enterprises/NGO • Persons • SME + Large enterprises • Public Administration • Start up • Social Start up • Partnership of several subject • Others (in note)

Draft template: Part b) Financial Instrument description (2/4)

DATA AS AT 30 SEPTEMBER 2023

<input type="checkbox"/> Aid schemes (specify the EU regulation under which the FI operates)	<ul style="list-style-type: none"> • Aid granted under the Rural Development Programme • Notified State Aid • Non-state aid • De minimis Regulation (Reg. N. 1407/2013) • De minimis Agriculture Regulation (Reg. N. 1408/2013) • De minimis Aquaculture and Fisheries Reg. (Reg. N. 717/2014) • Exemption Regulation (Reg. No 651/2014) • Choice of several aid schemes • Other (specify in notes)
<input type="checkbox"/> Combined Financial Instrument with grant (art. 58.5 of Reg. (EU) n. 2021/1060)	Yes no
<input type="checkbox"/> Combined Financial Instrument with grant in two different operations?	yes (why) No
<input type="checkbox"/> Microcredit financial instrument	yes no
<input type="checkbox"/> Holding Fund (as defined at art. 2.20 of Reg. (EU) n. 2021/1060)	Yes no
<input type="checkbox"/> Management costs and fees (MCFs) of the financial instrument (€)	€ -
<input type="checkbox"/> Specify the methodology used to set up the MCFs in the Funding Agreement
<input type="checkbox"/> Public and Private Partnership (as defined art. 2.15 of Reg. (EU) n. 2021/1060)	Yes no
<input type="checkbox"/> How do you implement art. 59.7 of Regulation (EU) n. 2021/1060 " <i>[....., taking due account of the programme objectives and the potential for the financial viability of the investment as justified in the business plan or an equivalent document. [...]]</i> "?

Draft template: Part b) Financial Instrument description (3/4)

NOTES

Please add any information you consider useful, giving at least the following details:

- **governance of the financial instrument** (e.g. in-house assignement or through public tender, involment of private financial intermediaries (specify the typology of involment, i.e. risk-sharing or other kind of involment; which categories of financial intermediaries; the typology of agreements/contracts set up with these financial intermediaries, etc.);
- **how works the financial institution remuneration in managing financial instrument?** Please add a brief explanatory note on the remuneration model agreed in the Funding Agreement
- **Enhanced access to finance:** e.g. interest subsidy, lower collateral, longer maturity, risk sharing etc.

Draft template: Part b) Financial Instrument description (4/4)

TYPE OF FINANCIAL INSTRUMENT AND RESOURCE DETAILS					
Financial Resources	Total Resources RP/NP/DRP (M€)	Other national resources (M€)	Other own regional resources (M€)	Own resources (Financial institution) (M€)	Other resources (M€)
Technical forms					
• Loans					
• Guarantees					
• Risk capital					
• Other risk-sharing tools					
Grant combined with Financial Instrument					
• Grant for technical assistance					
• Interests subsidies					
• Guarantee fee subsidies					
• Other public grants (specify)					
NOTES					
<i>Please add any explanation concerning the informations/datas contained in the table above.</i>					

□ CREDIT FUND in AGRICULTURE WITH ESIF 2014-2020

Reinforcing supply chains in **Lombardy**
for a sustainable agricultural sector

[Video clip](#)

THE CONTEXT: FINLOMBARDA'S MISSION

Financial intermediary
supervised by the Bank of Italy

In-house financial company of
the Lombardy Region (100%)



The mission is to contribute to implementation of the economic development programs of Lombardy

Finlombarda designs, creates and manages financial products and services for businesses in support of businesses and freelancers in

INTRODUCTION TO FINLOMBARDA'S BUSINESS LINES

FINANCIAL INTERMEDIATION

Finanziamenti alle imprese lombarde:

- prestiti (diretti e sindacati)
- minibond
- project financing (PPP)
- fintech



IMPRESE

- **ricevono un finanziamento**, anche in combinazione con altre forme di supporto;
- hanno al loro fianco un **finanziatore «paziente»** in termini di durata del finanziamento.

REGIONE LOMBARDIA

- **investe nello sviluppo del territorio** con impatto anche sulle filiere delle imprese finanziate e, utilizzando le risorse prese a prestito da FL, **ne eroga più di quelle disponibili nel proprio bilancio**, risorse che per loro natura presentano meno vincoli delle pubbliche.

BANCHE

- **non saturano le linee di credito dei clienti, condividono il rischio** e hanno un partner «non concorrente».

SUBSIDIZED FINANCIAL PRODUCTS

Gestione di **contributi e finanziamenti regionali** per lo sviluppo del territorio:

- contributi a fondo perduto
- **pure or combined financial instruments**
- abbattimento tassi
- garanzie



IMPRESE

- **ricevono risorse a condizioni** più vantaggiose rispetto di quelle di mercato coordinate da un unico soggetto;
- ricevono **assistenza** di carattere tecnico sui prodotti finanziari ed i contributi;
- **sono indirizzate** sui prodotti/bandi più in linea con le proprie esigenze.

REGIONE LOMBARDIA

- è supportata da FL **sia nella fase di strutturazione che di attuazione del prodotto**, con un presidio costante degli adempimenti nazionali e comunitari.

BANCHE

- **possono offrire prodotti più vantaggiosi** per i loro clienti

BUSINESS SERVICES

Servizi gratuiti personalizzati alle PMI in:

- innovazione e trasferimento tecnologico, sostenibilità
- internazionalizzazione
- accesso al credito
- challenges



IMPRESE

- **ricevono valutazioni sul grado di innovazione/sostenibilità**;
- ricevono **AT nella ricerca di soluzioni tecnologiche in ambito internazionale** (matching ricerca&offerte di tecnologie);
- ricevono **assistenza a 360° nell'accesso a opportunità e finanziamenti pubblici e privati**, regionali, nazionali e europei;
- ricevono un **affiancamento nella ricerca di soluzioni innovative** attraverso il lancio di challenges e concorsi di idee

REGIONE LOMBARDIA

- **offre un servizio personalizzato** al suo territorio

BANCHE

- **possono veicolare un servizio gratuito aggiuntivo** ai loro clienti

SOME EXAMPLES OF FINANCIAL PRODUCTS IN 2021-2027



Investimenti Linea Sviluppo Aziendale	Investimenti per l'ammodernamento e ampliamento produttivo	PMI Mid Cap	Contributo a fondo perduto + Garanzia RL Finanziamento Banche	
Investimenti Linea Green	Investimenti per efficientamento energetico	PMI	Contributo a fondo perduto + Garanzia RL Finanziamento Banche	
Lombardia Venture	Sostegno all'accesso al credito	Start up deep tech	Sottoscrizione di quote di Fondi VC	
Patrimonio Impresa	Rafforzamento patrimoniale e investimenti strategici	PMI Liberi Professionisti	Contributo abbattimento tasso + Finanziamento FL	
Syndicated loans	Investimenti, Circolante, Rifinanziamento debito	PMI Mid Cap Large Corp.	Finanziamento <i>in pool</i> FL/Banche	
Minibond	Investimenti, Circolante, Rifinanziamento debito	PMI Mid Cap Large Corp.	Sottoscrizione FL e Investitori di minibond	
Crowdfunding Minibond	Investimenti, Circolante, Rifinanziamento debito	PMI Mid Cap Large Corp.	Sottoscrizione FL e Investitori (Istituzionali e non) di minibond, mediante piattaforme di crowdfunding	
Plain Vanilla	Investimenti, Circolante, Rifinanziamento debito	PMI Mid Cap Large Corp	Finanziamento FL	
Fondo RipreSA	Capitale circolante	Residenze Sanitarie Assistenziali (RSA) no profit	Finanziamento ipotecario FL + garanzia RL gratuita	



CREDIT FUND IN AGRICULTURE 2014-2020

Reinforcing supply chains for a sustainable agricultural sector

Thematic focus

Improve the competitiveness of primary producers, including better integration in the agri-food chain through quality schemes, **creating added value for agricultural products**, **promoting products in local markets with short supply chains**, associations and producer organizations and inter-branch organizations

Type of financial products

Investment loans combined with grants

Financial size

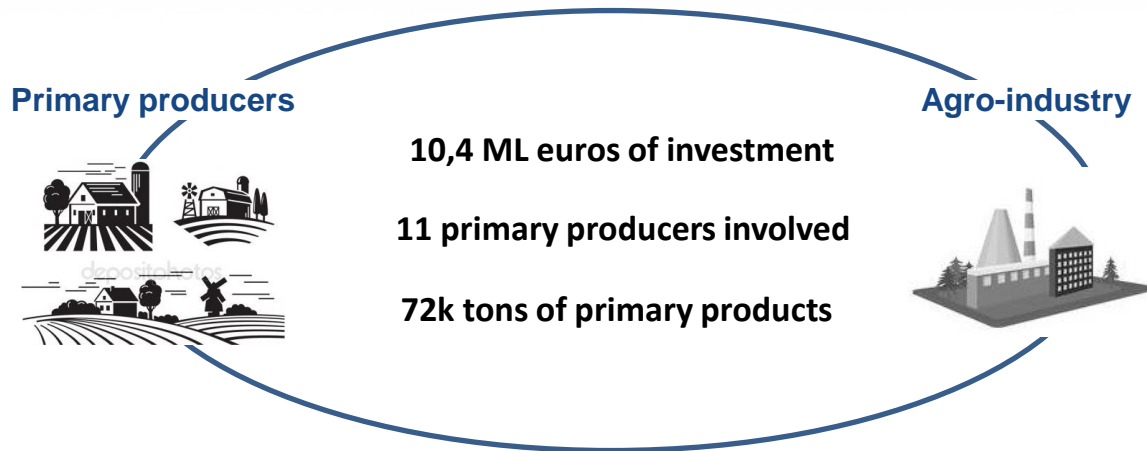
EUR 54 million RDP resources (EUR 23.3 million from EAFRD and 30.7 million from regional resources), of which:

- EUR 33.2 million under the financial instrument and
- EUR 20.8 million as grant support

An additional EUR 49.8 million of private investments from co-investors is expected. This would be 60% of each project loan or 48% of the total eligible investment cost.

Integration within the agri-food chain through product quality schemes

Integrated supply chain projects allow Lombardy Region to evaluate the ability of the financed projects to achieve the objectives of public policy. Through product quality schemes Beneficiaries demonstrate the formalization of a specific number of supply contracts with primary producers and underlying volumes. Below some key figures of a financed project:



Ex-ante assessment

- The ex-ante assessment estimated the investment gap in the sector between 1.3 and 1.8 billion of euro due to the negative macroeconomic scenario and credit crunch;
- The high level of uncertainty and low liquidity amplified the fall in investments while impacting individual components of the supply chain to different stages;
- Given the objective to address this lack of credit, the ex-ante assessment identified food processing enterprises as the most suitable target to maximize the effectiveness of public support.

Food processing enterprises appeared to provide a higher level of long-term sustainability due to their financial soundness in repaying debt, which would maximize the revolving use of public funds while also generating positive effects for farms.

Structure of financial product

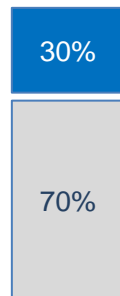
The Financial Instrument combines a grant with a soft loan

The financial instrument pays the 100% of the eligible investment's costs with:

- a grant that covers up to **20%** of eligible investments;
- medium to long term soft loan (until 10 years more 3 years of grace period) Finlombarda-Financial Intermediary that covers up to 80% of the eligible investment on:
 - ✓ **40%** from **RDP's resources** (interest rate **0,5%**)
 - ✓ **60%** from resources of accredited financial intermediaries selected by enterprises (market interest rate).
- In line with the State aid regulatory framework the aid intensity is expressed in gross grant equivalent (**max. 30%**);
- Eligible investments: **min. 500.000 € - max. 10 M€**



«Misura 123»

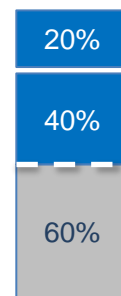


Grant

Private
loans/Beneficiary
resources

■ RDP ■ PRIVATE

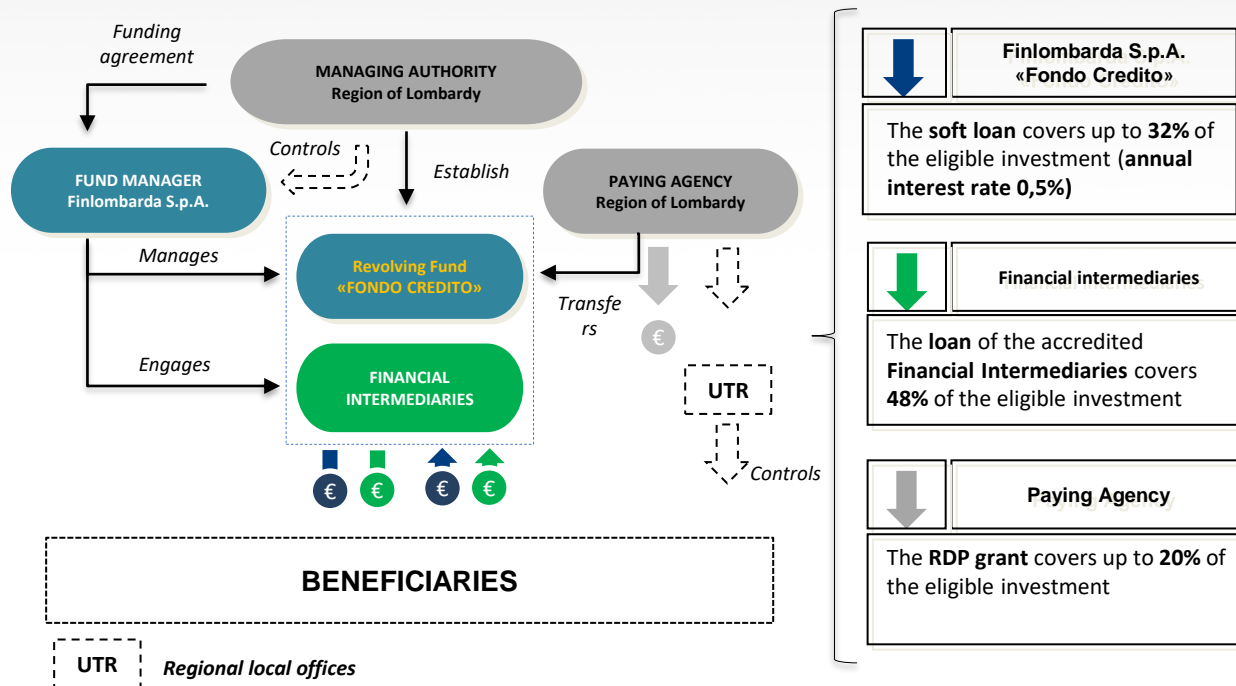
«Operazione 4.2.01»



Grant

80% loan
(48% bank; 32% RDP)

Governance of the financial instrument



Partners involved 1/2

Partners	Role
Lombardy Region <i>(Managing authority)</i>	<ul style="list-style-type: none">• Receives the applications• Verifies the formal eligibility of the applications• Defines the ranking list of eligible projects• Monitors and assess the initiatives• Informs and supports targeted enterprises
Finlombarda (Fund manager)	<ul style="list-style-type: none">• Verifies the credit scoring for each enterprise and defines the gross grant equivalent• Engages Financial intermediaries• Collects Financial intermediaries' loan agreements and signs the soft loan agreement with beneficiaries
Paying agency	<ul style="list-style-type: none">• Pays the grants• Manages the reporting and verifies results• Manages the control system
Credit and financial institutions	<ul style="list-style-type: none">• Signs the loan agreements with beneficiaries• To date have been engaged 11 Financial Intermediaries through a public call

Partners involved 2/2

Partners

Credit and financial institutions

1. BANCA POPOLARE DI SONDRIO
2. UBI BANCA
3. BCC AGROBRESCIANO
4. BANCO BPM
5. BPM S.p.A.
6. MPS
7. CREDIT AGRICOLE CARIPARMA
8. CREDITO VALTELLINESE
9. BCC BANCA CENTROPADANA
10. MEDIOCREDITO ITALIANO (Intesa Sanpaolo)
11. UNICREDIT

- Beneficiaries are selected through a **double credit rating analysis** (Finlombarda-Accredited Financial intermediary)
- The Financial instrument schemes **increase the rivalry between credit and financial institutions allowing enterprises to access to credit at better conditions**

Selection of eligible investments

Phase	Actor	Description
Formal admission	Lombardy Region	✓ Lombardy Region verifies formal access conditions of applications
Technical admission	Technical committee	✓ A Technical committee verifies technical access conditions of applications
Technical and Administrative compliance	Lombardy Region	✓ The “RUP” (Sole Responsible of Procedures) of “Operazione 4.2” verifies the technical and administrative compliance of each project and application
Credit scoring	Finlombarda	✓ Finlombarda verifies the enterprises’ credit scoring and calculates the gross grant equivalent
Merit Ranking	Lombardy Region	✓ The RUP of “Operazione 4.2” defines a merit ranking of eligible projects
Selected projects	Lombardy Region	✓ The RUP of “Operazione 4.2” formally communicates the selected projects
Loan agreement	Finlombarda and Financial intermediaries	✓ Within 120 days from the notification of selected projects each beneficiary has to take out the loan with one of the accredited Financial Intermediaries and with Finlombarda

Technical features

Finlombarda fixes the gross grant equivalent based on the EU communication 2008/C 14/02 and the Regional decree n. X/3899/2015

Communication 2008/C 14/02	EC Communication on the revision of the method for setting the reference and discount rates
DGR X/3899/2015	The regional decree defines the calculation method of the Credit scoring of each enterprise and consequently defines the spread to be adopted in the calculation of interest rate



The gross grant equivalent, expressed as a percentage of the eligible investments' costs, is calculated as the sum of: i) the grant and ii) the actualized amount of the differences, during the amortizing period, between market interest and the soft loan interest.



Data on calculated gross grant equivalent for the first six beneficiaries shows that the average is 23,6% of the eligible costs.

GRAZIE PER L'ATTENZIONE

Per Finlombarda S.P.A.

PAOLO ZAGGIA

Managing Director Area

Head of Institutional Relations and Communication