

PRESS RELEASE

**INTESA SANPAOLO SUPPORTS THE SOUTHERN ITALIAN
ECONOMY IN CHINA**

**MISSION TO BEIJING TO PROMOTE
SEZS AND SMES IN THE AGRI-FOOD SECTOR**

- **The Special Economic Zones of Southern Italy to be presented in Beijing after the international roadshow started in Dubai**
- **Presentation of the South's agri-food specialities in Food & Beverage to the Chinese market**
- **Francesco Guido, regional manager for Southern Italy of Intesa Sanpaolo: "Projects in Beijing that are in line with the plan to relaunch the South announced by CEO Carlo Messina".**

Beijing, 28 October 2019 - Today saw the launch of Intesa Sanpaolo's mission to China to promote the Economic System of Southern Italy, in collaboration with the Italian Embassy in Beijing, the China International Contractors Association (Chinca) along with the support of ICE. The mission, which will take place today and tomorrow with numerous meetings dedicated to the internationalisation of SMEs, aims to showcase the Special Economic Zones in Southern Italy to potential Chinese and international investors at an event to be held today at the Italian Embassy. **The opening address will be given by Stefano Buffagni, Deputy Minister for Economic Development, and by the Italian Ambassador to the People's Republic of China.**

Today's session will feature speeches by **Xin Xiuming**, Vice-President of Chinca, **Massimo Deandreis**, General Manager of the **Studi e Ricerche per il Mezzogiorno** (Southern Italy Research Centre - SRM) which is linked to the Intesa Sanpaolo Group, **Francesco Guido**, Regional Manager for Campania, Basilicata, Calabria and Puglia for Intesa Sanpaolo, and **Pietro Spirito, Ugo Patroni Griffi and Sergio Prete**, respectively the chairmen of the SEZs for Naples, Bari and Taranto.

This meeting will be followed by tomorrow's event entitled **"Support for the internationalisation of the Food & Beverage industry in Southern Italy"**, dedicated to enhancing export and distribution opportunities on the Chinese market, which will be introduced by the **Italian Ambassador to the People's Republic of China** and by **Amedeo Scarpa**, Director of ICE Beijing and Coordinator of the ICE Network in China, and will be followed by speeches by **Francesco Guido**, Regional Manager for Intesa Sanpaolo Campania, Basilicata, Calabria and Puglia, and the **Italian Chamber of Commerce in China**, who will present the "True Italian Taste" initiative.

During this intense **two-day event of public and bilateral meetings**, Intesa Sanpaolo hosted **30 export-oriented SMEs from Southern Italy who are Group customers** that were identified as being the finest in the SEZ and Food & Beverage areas of Southern Italy. The Intesa Sanpaolo Group introduced them to prospective partners to expand their business in China, encourage investment in Italy and facilitate trade between countries. The visiting companies represent a wide range of sectors such as infrastructure, logistics, transport, energy and cutting-edge innovations on the one hand and agri-food on the other.

For them, Intesa Sanpaolo, which is led in Beijing by chief representative Sergio Bertasi, in collaboration with the Italian Embassy in Beijing, ICE, the Italian Chamber of Commerce in China and the law firm Chiomenti, has organised training activities, B2B meetings with Chinese companies, meetings and visits with businesses in the local SEZ (Bin Hai - Tianjin), e-commerce platforms (JD) and Chinese large-scale retail chains.

Promotion and support, which in this mission involves companies from the south, is an effective measure that is consistent with the commitment expressed by the Intesa Sanpaolo Group's CEO, **Carlo Messina, who has announced a lending plan for Southern Italy of 30 billion euro over two years.**

The mission to China is also consistent with Intesa Sanpaolo's strategy to support the **internationalisation of Italian SMEs** worldwide, when they enter new international markets or if they intend to strengthen their presence abroad, thanks to a Banking Group with a widespread and integrated international presence in about 40 countries with specialists dedicated to businesses at the foreign branches, which guarantee coverage in 85 countries, also thanks to cooperation agreements with other banks. The services cover all the needs that companies have for export and internationalisation: bespoke lending products, Trade Finance and Export Finance, specialised consultancy, and a synergistic partnership with the institutional companies and bodies that are dedicated to the growth of Italy's economy and products on international markets.

Intesa Sanpaolo's programme for Southern Italy

With lending that is on average higher than funding and **market share of 20%** (which is higher than the national share of 17%), Intesa Sanpaolo is the main lender in the South. For this reason, CEO Carlo Messina has described it as the "bank of Southern Italy" thanks to the numerous initiatives put in place for both private individuals and businesses.

Among these initiatives, the Group has been supporting the **SEZ** programme since its creation in 2017 with a **maximum 1.5 billion euro** allocated for their development and to enhance their ability to attract domestic and foreign investments. Under the agreement between Intesa Sanpaolo and the EIB's European Investment Fund (EIF), which includes **330 million euro** for new **low-interest loans** for **micro, small and medium-sized enterprises** in the South of Italy, **100 million euro** is earmarked for investments in **SEZs**. The project, called the **SME Initiative**, is backed by the EIF and sponsored by the Ministry of Economic Development (MISE), is being financed using European, domestic and EIB Group resources with a specific focus on the South of Italy.

Among the means for supporting SMEs, Intesa Sanpaolo has launched a programme to support the expansion in size and competitiveness of companies in the south of Italy that is specific to each sector, called **Impresa 2022**. The programme directly involves the Bank for financial variables, but not only, to attract cooperation from universities, post-graduate schools and consulting firms to support the educational development of the human capital that is needed for a qualitative change.

Thanks to the partnership with **Elite** (Borsa Italiana), in the last two years the Group has selected 120 Italian SMEs with the aim of listing them on the stock exchange. One-third of these SMEs are from regions in the South of Italy. Also in collaboration with Elite, the first **basket bond** for SMEs was recently issued including one from Naples.

Thanks to the expertise of its Innovation Center and in collaboration with leading international partners, Intesa Sanpaolo has created **innovation hubs** for Naples and Bari to support start-ups working in the field of environmental sustainability. Neva Finventures, the Corporate Venture Capital of Intesa Sanpaolo Innovation Center, is already investing in start-ups and training programmes for young people. Its first investment in the South was in MatiPay, a Fintech start-up belonging to the Angel Group.

With the **Resto al Sud** (Stay in the South) initiative for young entrepreneurs with a budget of 1,250 million euro made available by the "Fund for Development and Cohesion", Intesa Sanpaolo is supporting the creation of new businesses started by entrepreneurs between the ages of 18 and 46 living in Southern Italy. This initiative has already involved about 6,000 young people. The **Youth and Work** project, which was recently launched by Intesa Sanpaolo together with Generation Italy in Naples, Rome and, in the near future, Bari, also aims to encourage young people between the ages of 18 and 29 to enter the working world through free training courses designed to bridge the skills gap between supply and demand in the labour market.

Italy's economic and social development is also closely linked to the growth of culture and art: **Naples** is home to one of Intesa Sanpaolo's three museum sites which has become **one of the most important museums** in Southern Italy and where the Group intends to step up its investment in the arts.

The business plan of the Group headed by Carlo Messina also includes an extensive **programme for supporting the needy**: this includes **30% of the resources of the Intesa Sanpaolo charity fund being earmarked for the South of Italy**, where the distribution of meals, thanks to Caritas, of clothing and medicines has been underway for some time. Also, Intesa Sanpaolo was involved in creating a nursery school in Naples for the young patients of the Department of Oncology of the Pausilipon Children's Hospital.

Commentary by Francesco Guido, Regional Manager for Campania, Basilicata, Calabria and Puglia of Intesa Sanpaolo: "With about 250,000 SME customers and 61 supply chains involving 544 companies, our Regional Governance Centre provides daily support for the development and growth of the South in Italy and around the world. The intense program that is taking place now in China is an

opportunity for Southern SMEs because thanks to Intesa Sanpaolo's international network, the Chinese market is accessible for even small regional companies. Hopefully, this mission will stimulate the growth in size necessary for SMEs to handle incoming orders over and above their production capacity. This would be a driving force for structural growth in the South for generating wealth and creating new jobs”.

Intesa Sanpaolo's mission to China will then move on to **Qingdao** where it will take part in the main agricultural machinery trade fair in Asia. In early 2020, a visit to the Great Bay in **Shenzhen** and **Hong Kong** is planned which will involve hi-tech and fintech SMEs.

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About Intesa Sanpaolo

Intesa Sanpaolo is one of the most solid and profitable banks in Europe, providing wealth management, consumer banking, corporate and investment banking, asset management and insurance. As the market leader in Italy, Intesa Sanpaolo serves nearly 12 million customers through digital and traditional channels. The Group's international subsidiary banks provide for an additional 7.2 million customers in Central Eastern Europe, the Middle East and North Africa.

Intesa Sanpaolo is recognized as one of the most sustainable banks in the world. The Group believes that value creation should be interpreted broadly, supporting social purpose and driving the real economy. As part of its commitment to sustainable growth, Intesa Sanpaolo has created a €5 billion financing facility dedicated to the circular economy. The Group's large-scale project for economic inclusion and poverty alleviation includes a Fund for Impact to provide €1.2 billion in loans to those parts of society that find access to credit difficult.

Intesa Sanpaolo is deeply committed to cultural initiatives that it promotes on its own and together with partners in Italy and abroad, including permanent and temporary exhibits of the vast artistic patrimony of the Gallerie d'Italia, the Group's three museums located in Milan, Naples and Vicenza.

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The Special Economic Zones of Southern Italy

Since 2017, Intesa Sanpaolo, the only bank in Italy, has been supporting SEZs (which were introduced by Law no. 123 of 2 August 2017, providing tax credits and simplified procedures for production facilities in predefined areas of southern Italy) and from the outset has **allocated a credit ceiling of 1.5 billion euro** to support production investments and infrastructure projects located in the Special Economic Zones.

In less than two years and even before the regulatory framework was completed, Intesa Sanpaolo had reviewed medium and long-term investment projects in the three SEZs of Campania (Naples), Adriatica (Bari) and Jonica (Taranto) amounting to **approximately 300 million euro**. These were accompanied by a structured offer of **specialised advisory services** to support the international development and business growth from the point of view of training, innovation and the assessment of opportunities for structured and extraordinary finance transactions.

According to estimates by **Studi e Ricerche per il Mezzogiorno (SRM)**, which is linked to the **Intesa Sanpaolo Group** and led by Massimo Deandreis, the SEZs - which were launched in Italy following the launch of another 4,500 SEZs operating throughout the world - ten years after their establishment generate a 40% increase in exports which in the case of Southern Italy would be worth 18 billion euro. Public investments have a multiplier effect of 3:1 and each euro of tax credit generates two of private capital which benefits the entire port and trade system that branches out from the Mediterranean.

In 2018, trade between Italy and China amounted to 43.9 billion euro, including more than 30.2 billion euro, or 69%, through sea transport. Machinery and mechanical components make up about 42% of the total goods transported, followed by textiles and clothing (13%) followed by chemicals, metals, furniture and vehicles. However, many other areas could benefit from trade through the SEZs linked to our ports.

Agri-food

The Food & Beverage chain in southern Italy contributes significantly to the success of Made in Italy: **14.8% of Italian food exports are generated in southern Italy.**

According to the study on the agri-food sector presented by SRM during the mission, **Italy is ranked first in the world in terms of the number of PDO, PGI and TSG designations** granted by the European Union, with 825 Food and Beverage products out of a total of 3,020 worldwide (of which 299 Food and 526 Beverage).

The agri-food sector represents a greater share of the total economy in the South compared with national averages. The sector's good performance is linked, among other things, to international trade in the food segment, which generated **a surplus of 1.2 billion euro** (4.8 billion euro nationally). Exports for the area have been positive both in the last two years and in the period between 2007 and 2018.

A guest of the Intesa Sanpaolo mission is a group of companies from Southern Italy with a substantial number of representatives from the canned and frozen products sector. Also participating are SMEs in the dairy and confectionery industry, as well as those involved in wine, oil and bread production, coffee roasting, and catering services for hospitals and schools.