



## Available financial solutions: How do banks support agriculture and the agri-food sector?

**Guido Vezzani**, Loan Officer, European Investment Bank

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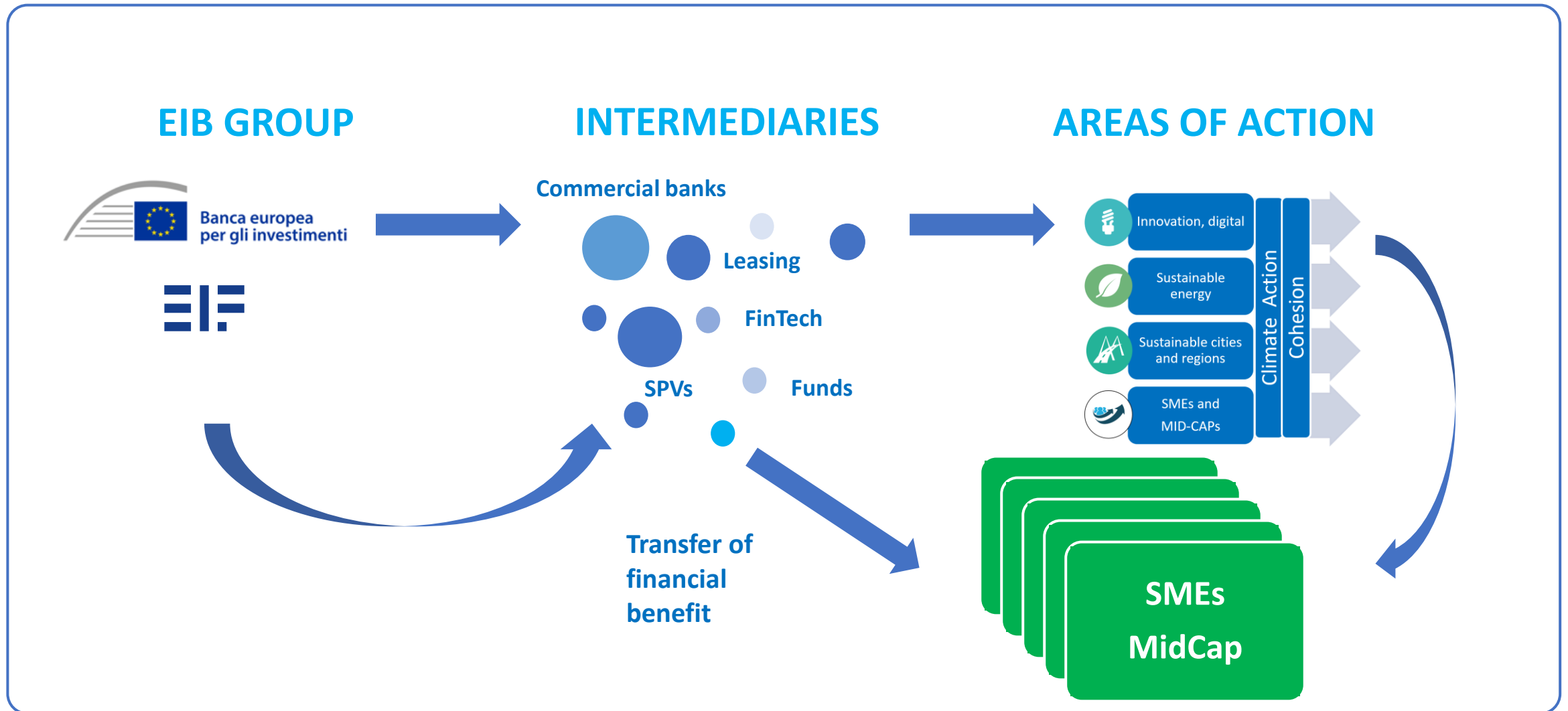
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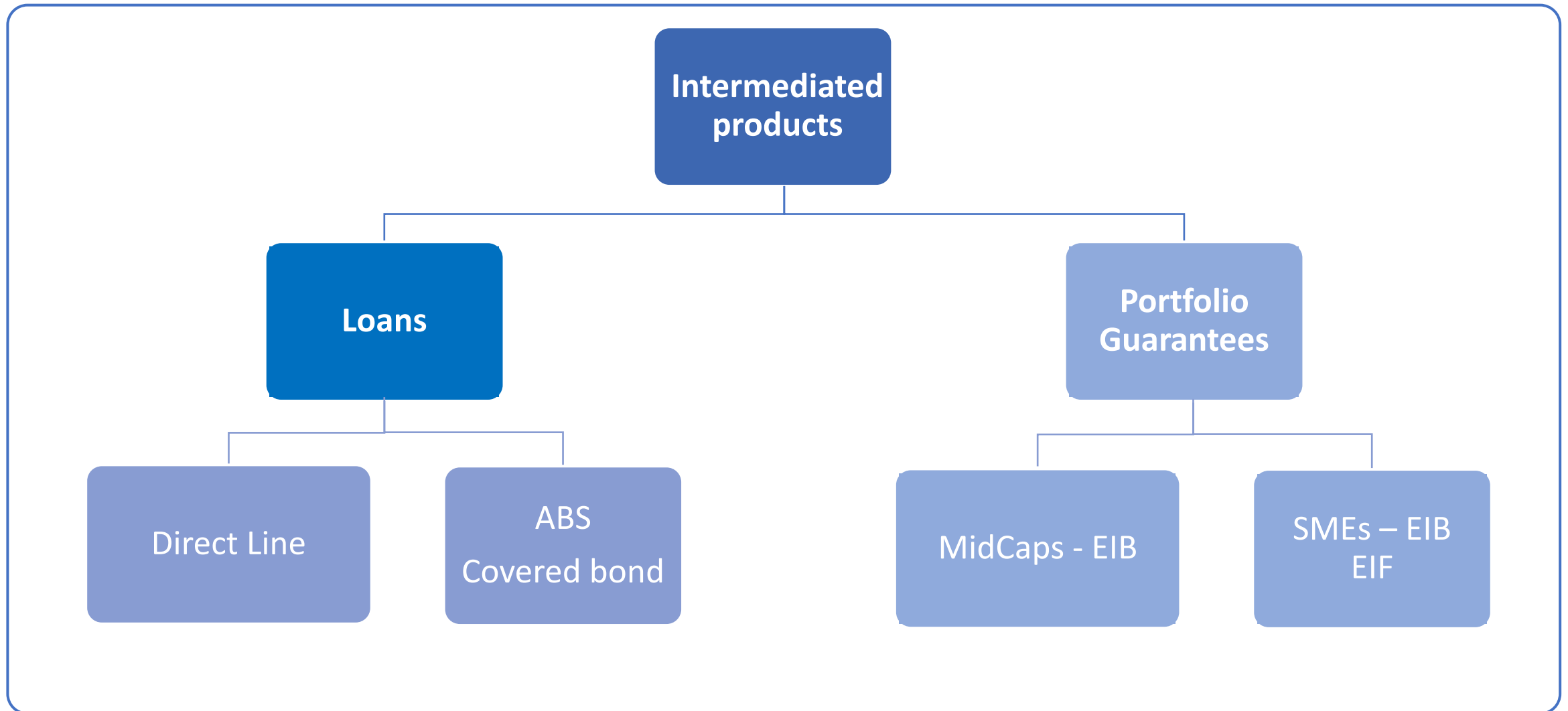
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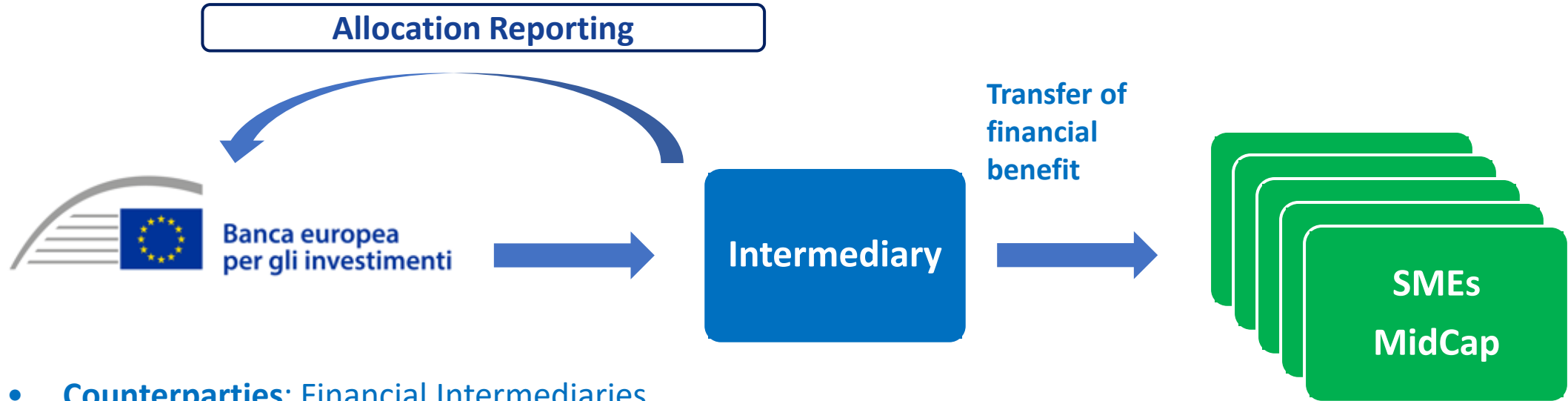
# 1. The business model with financial intermediaries:



## 2. Products available:

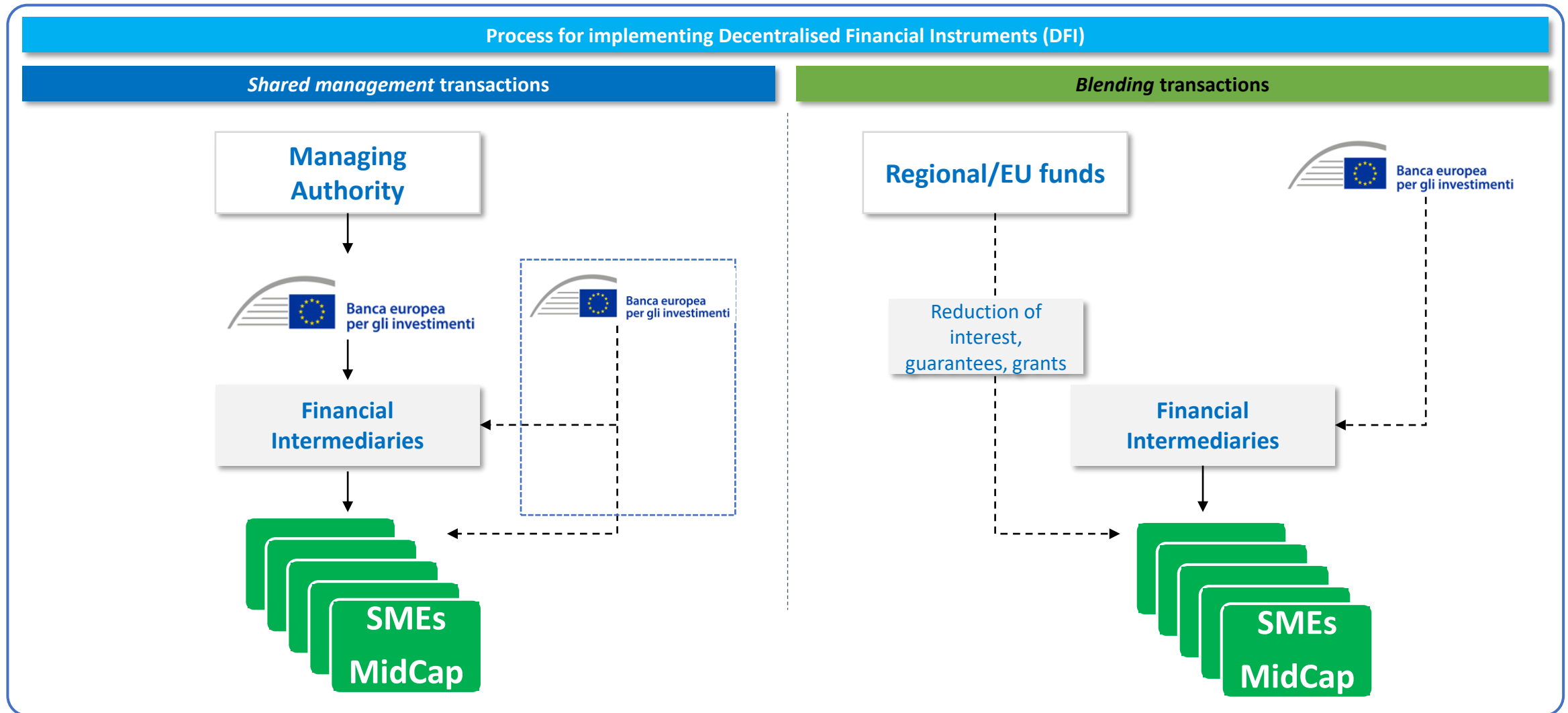


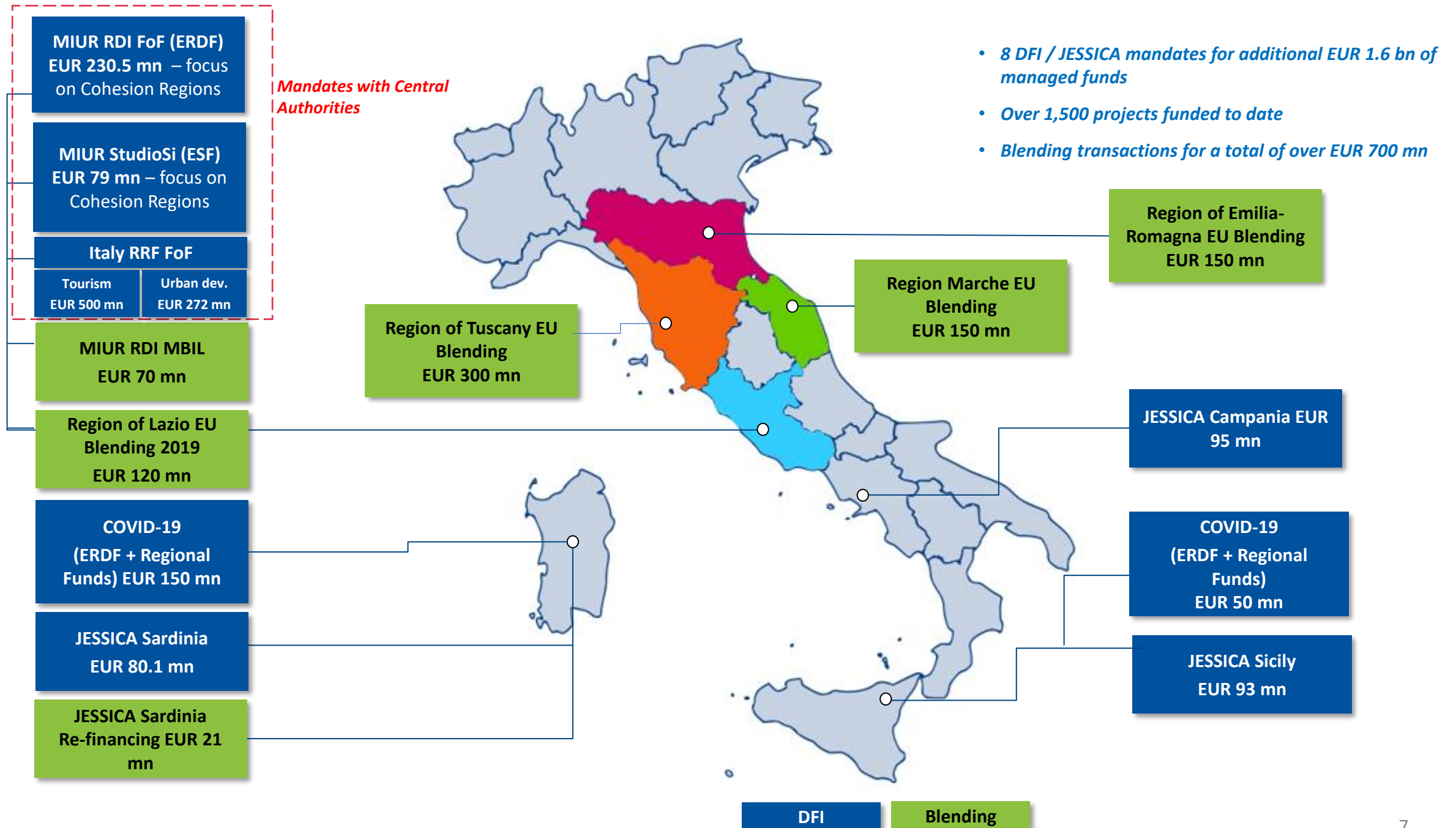
### 3. Direct Loans:



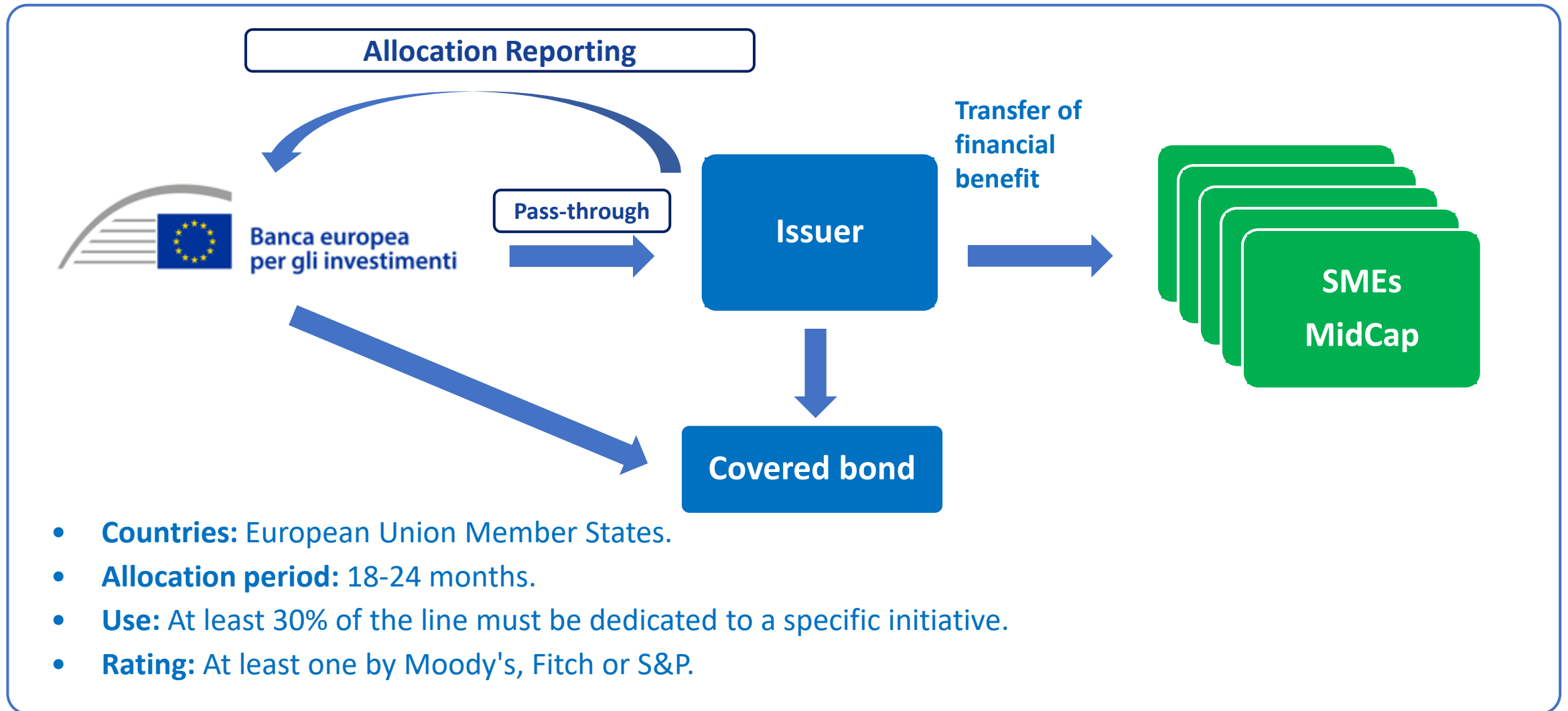
- **Counterparties:** Financial Intermediaries.
- **Countries:** European Union Member States.
- **Allocation period:** 18-24 months.
- **Use:** At least 30% of the line must be dedicated to a specific initiative.
- **Amount and duration:** > EUR 30 mn, up to 12 years with 3 of grace period.
- **Rating:** At least one by Moody's, Fitch or S&P. In the absence of a rating, the line must be backed by financial collateral or other form of guarantee.

## 4. Financial instruments:





## Annex 1 Covered Bond:





The diagram illustrates the structure of a European Investment Bank (EIB) loan facility. It shows the flow from the Originator to the Senior Tranche, Mezzanine, and FLP, and the transfer of financial benefit to SMEs and MidCap companies.

**Allocation Reporting**

**Pass-through**

**Originator**

**Transfer of financial benefit**

**SMEs MidCap**

**Rating:** At least one by Moody's, Fitch or S&P.

**Senior Tranche**

**Mezzanine**

**FLP**

**Originator**

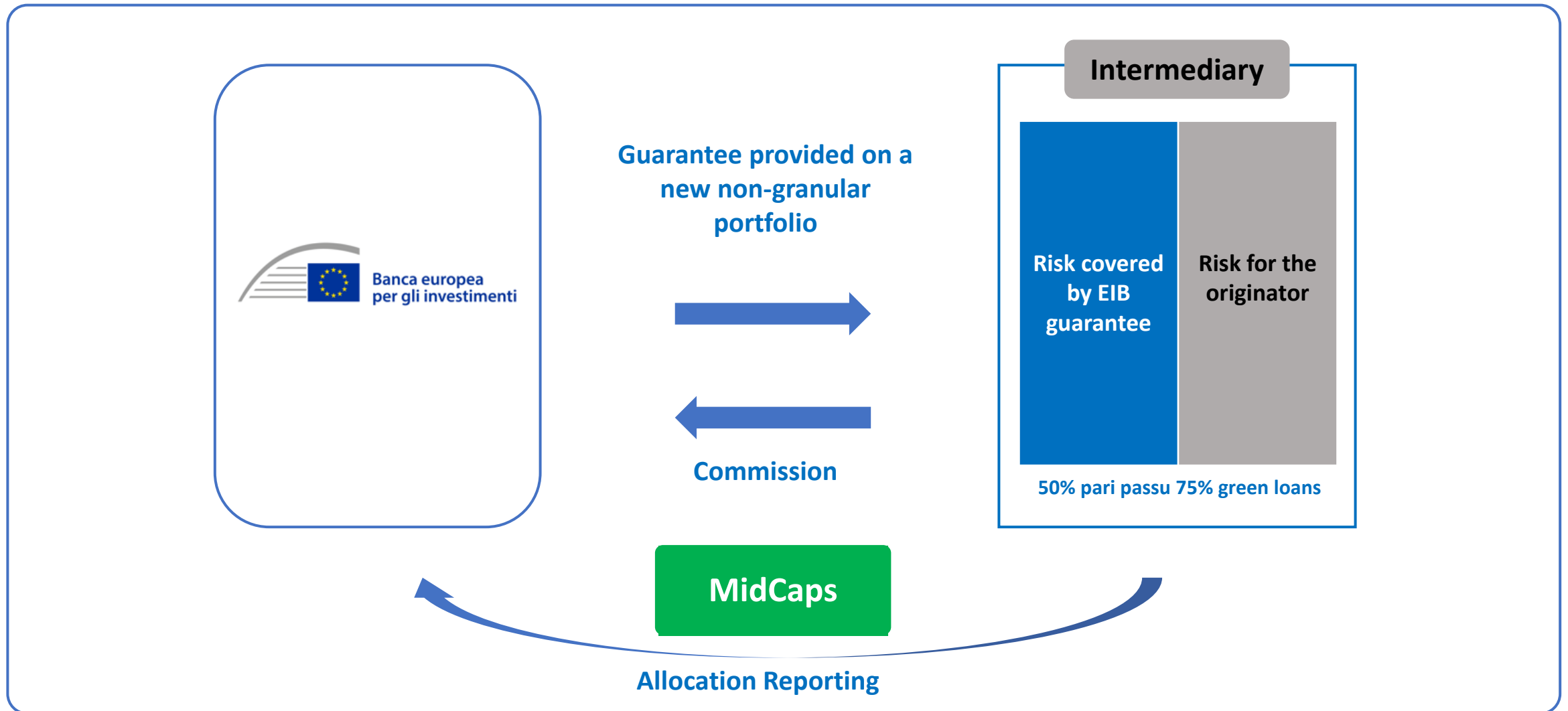
**Banca europea per gli investimenti**

**Banca europea per gli investimenti**

**Banca europea per gli investimenti**

The diagram shows the flow of funds from the Originator to the Senior Tranche, Mezzanine, and FLP. The Senior Tranche is the first to receive funds, followed by the Mezzanine and then the FLP. The Originator also receives funds from the FLP. The Originator then transfers the financial benefit to SMEs and MidCap companies. The diagram also shows the flow of funds from the Banca europea per gli investimenti to the Originator.

# Annex 3 Portfolio Guarantees





Thank you!



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- ✓ **209 Branches** in 5 Regions
- ✓ **550,000 customers**
- ✓ **2,200 employees**, of whom **870** are under 40 and **164 new hires** in 2023
- ✓ Over **70** business consultants and account managers, including some specialized serving **businesses** in the **agrifood sector**

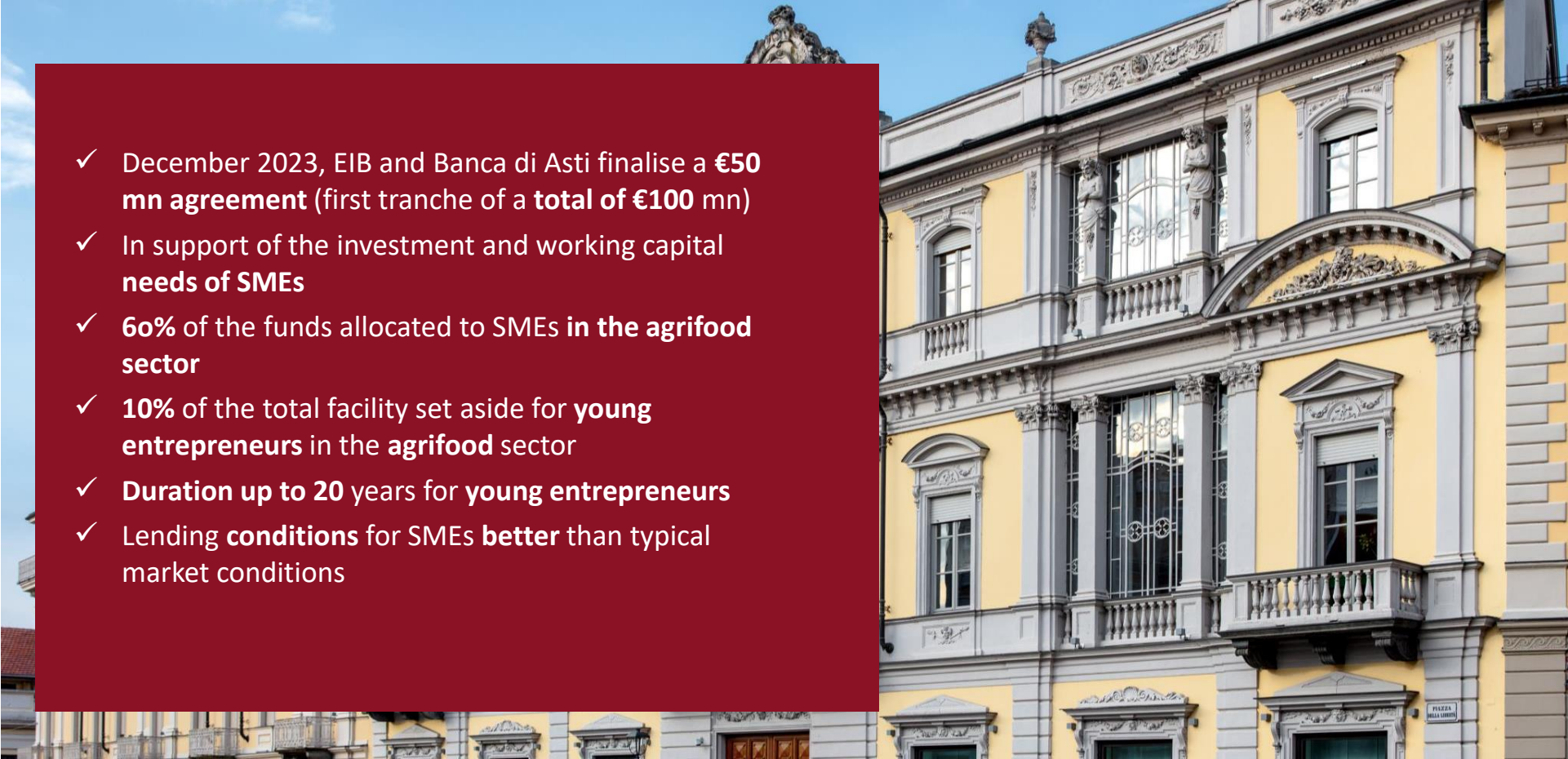




Roughly **11%** of the **businesses** served by Banca di Asti operate in the **agrifood sector** (farming, production and processing), of which:

- ✓ **67% farming**
- ✓ **12% livestock**
- ✓ **16% food & beverage industry**



- 
- ✓ December 2023, EIB and Banca di Asti finalise a **€50 mn agreement** (first tranche of a **total of €100 mn**)
  - ✓ In support of the investment and working capital **needs of SMEs**
  - ✓ **60%** of the funds allocated to SMEs in the **agrifood sector**
  - ✓ **10%** of the total facility set aside for **young entrepreneurs** in the **agrifood** sector
  - ✓ **Duration up to 20** years for **young entrepreneurs**
  - ✓ Lending **conditions** for SMEs **better** than typical market conditions

- 
- ✓ Raising capital **for start-ups**
  - ✓ **Generational change**
  - ✓ **Technological innovation** and Agriculture 4.0
  - ✓ Planting/Replacing **vines** and **fruit trees**
  - ✓ Purchase, construction and renovation of **buildings**





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 **BANCA DI ASTI**

 **BIVER BANCA**

**GRUPPO CASSA DI  
RISPARMIO DI ASTI**



Thank you!



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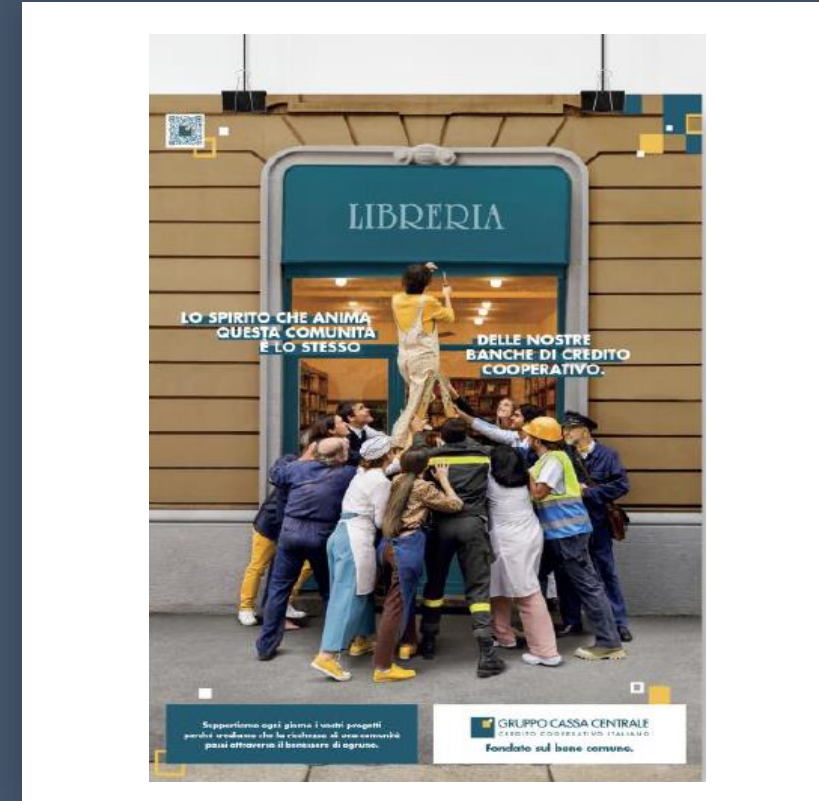
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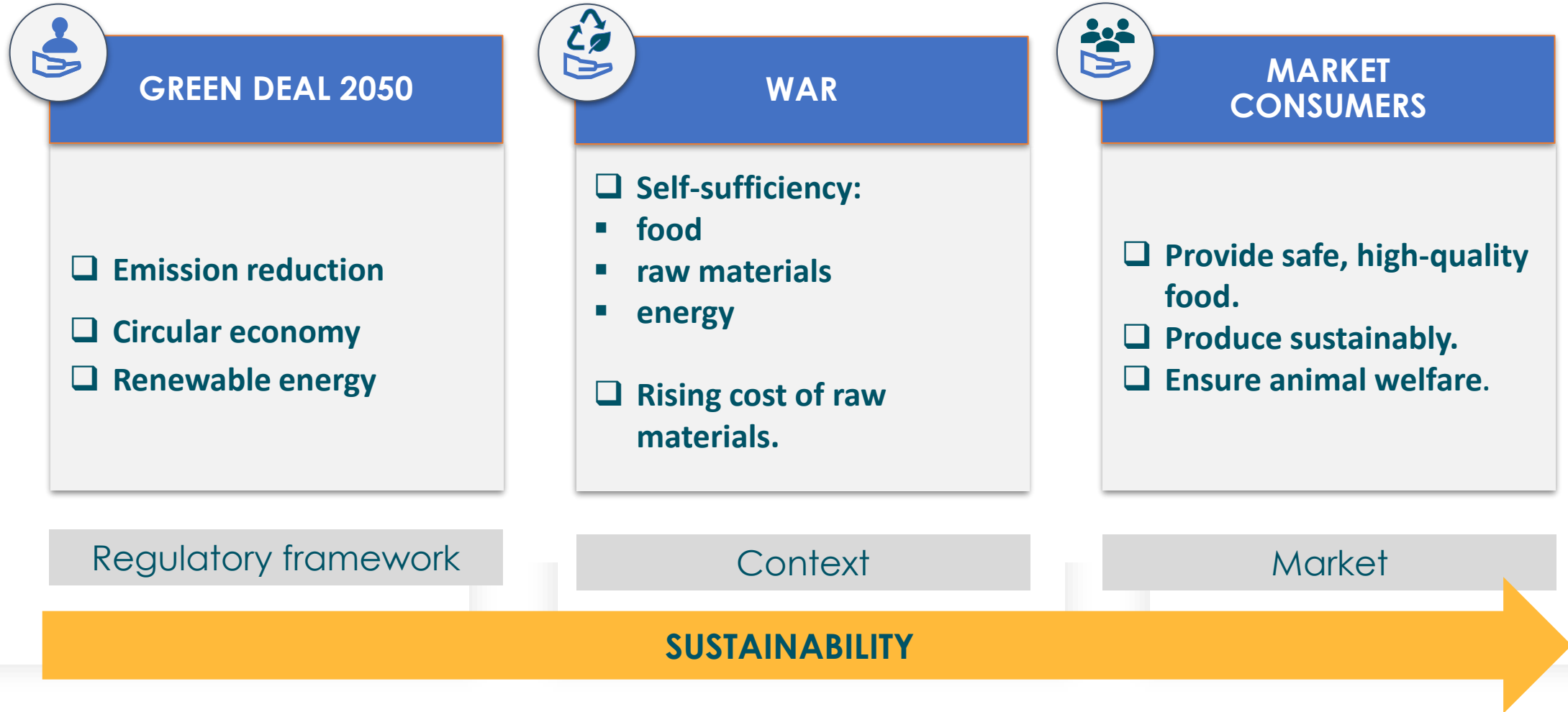
# A Large-scale Coop

- We are a large-scale banking coop with close ties to our communities.
- Our goal is to promote the well-being of our members and of the communities in which we operate, contributing to the common good and creating sustainable well-being that can be handed down to future generations.



# CURRENT LANDSCAPE AND NEW CHALLENGES FOR AGRICULTURE

## STRUCTURAL ELEMENTS AND RAPID CHANGES



# SUSTAINABILITY'S IMPACT ON CREDIT

## CORRELATIONS

### VALUATION

Bank **VALUE** will be systematically conditioned **by the attitude of businesses towards sustainability**

### ESG

There is a close **CORRELATION** between credit risk and the **exposure of businesses to environmental and transition risks** (valuation metrics)

### GAR

Banks are assessed based on the **ratio of their green assets to total lending (GAR)**

## COUNTER-CYCLICAL

FINANCIAL INSTRUMENTS, including SUBSIDISED, are a fundamental tool to broaden the scope of the Policy's guidelines and promote SUSTAINABLE investment

## MARKET

The market and consumers demand SUSTAINABILITY, which is therefore an enabling factor even before the regulatory framework.

# OVERCOMING THE CHALLENGE

BUSINESS

ADOPT NEW BUSINESS MODELS  
THAT ARE SUSTAINABILITY FOCUSED

BANK

PROJECT

Know how to **interpret** the business plan and grasp the key factors in its success.

Interpret

SUPPORT

**Assist** companies in identifying the best sources of subsidised and other financing.

Assist

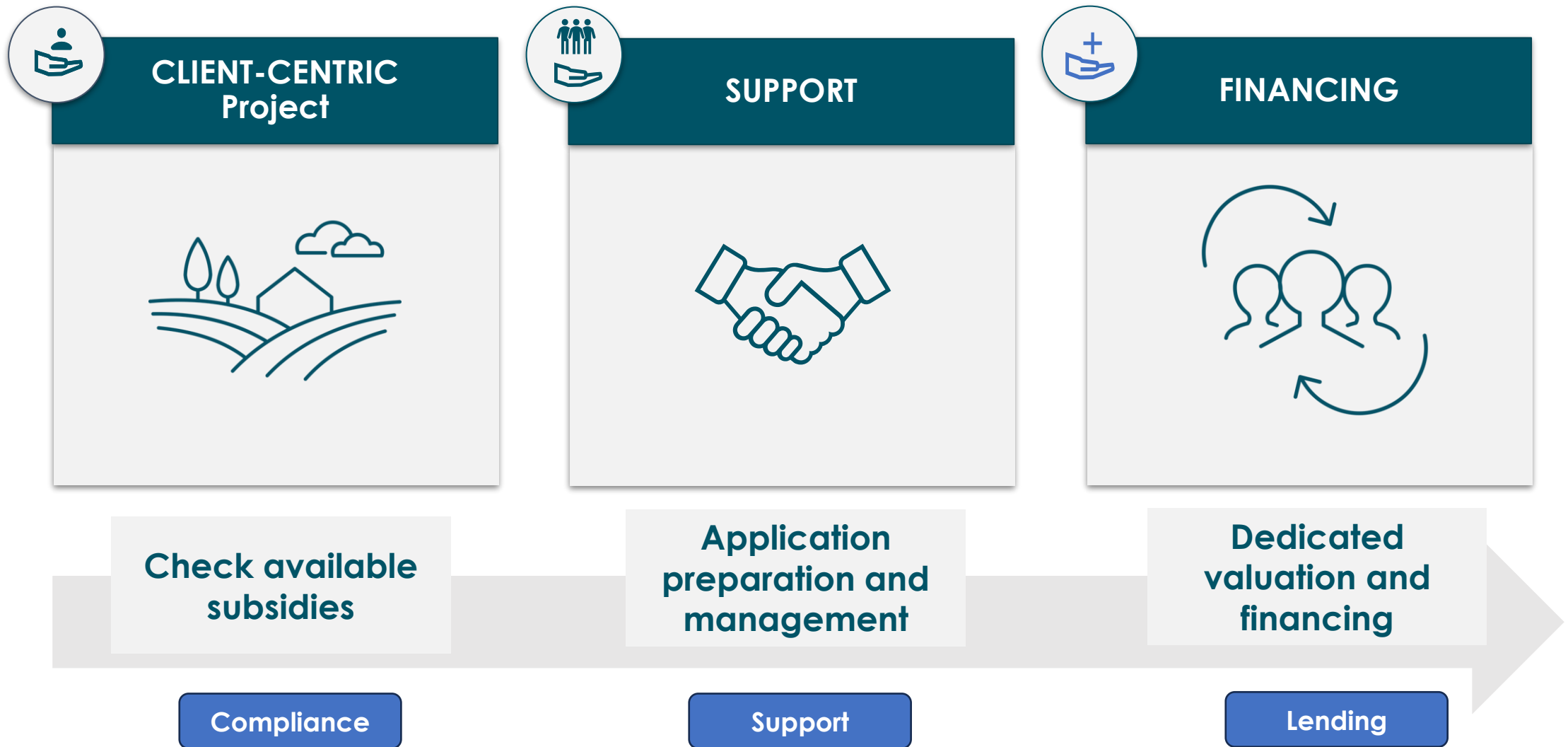
VALUATION

Be able to **assess farms**, which are often opaque to an immediate understanding of the key elements.

Assess



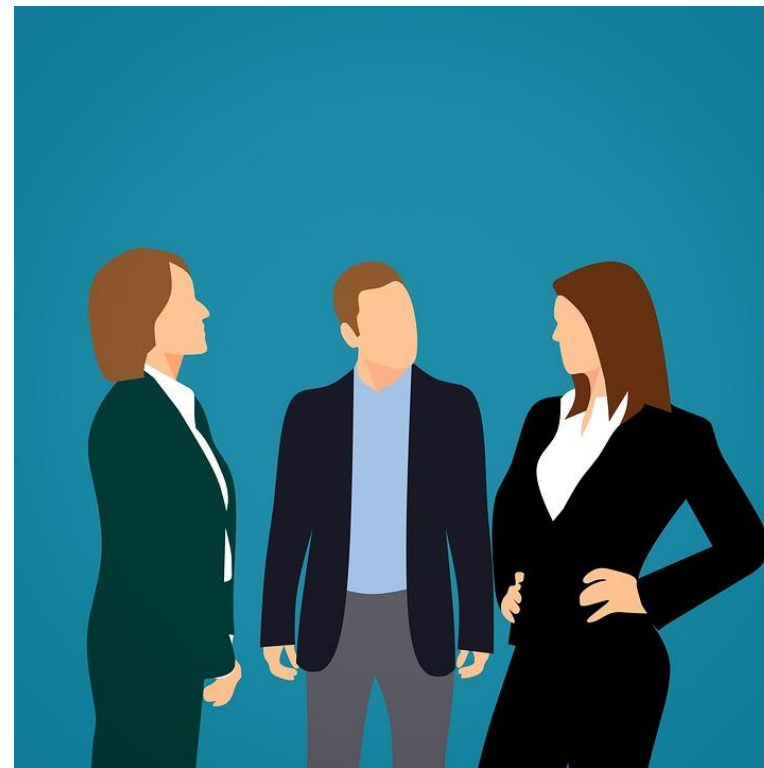
# SERVING THE COMMUNITY





# BENEFITS

- **Personalised search** among the various incentives, grants and subsidised funding
- **Best results** by verifying the ability to combine multiple financial instruments
- **Tailored consulting** to build better solutions and give support throughout the entire process
- **Management of the entire application process**, from preparing the documentation through to support even in the event of an audit
- **Transparent costs**
- **The Bank is always at the business's side**, providing support with tailor-made financial solutions





Thank you!



Thank you!

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