



Access to Italian Government aids related to COVID-19 outbreak

Mizuho Bank Ltd., Milan Branch

To ensure the necessary liquidity for Italian companies affected by the Covid-19 outbreak, Italian Government issued the so called "Decreto Liquidità" (D.L. n. 23 of April 8th 2020) consisting in € 400 billion that will serve to give Italian companies the necessary injection of resources to support the economic recovery.

Amongst others until December 31 2020 SACE, part of Cassa Depositi e Prestiti Group, will issue guarantee for a total of around € 200 billion in favour of national and international financial institutions authorized in Italy to finance in any form the clients meeting the below requisites.

Beneficiaries and requisites

Clients of all sizes with the below requisites are eligible for SACE guarantees ¹

- ✓ Must have legal office in Italy and the purpose of funding must be for the offices in Italy
- ✓ Were not in a situation of financial difficulty before Covid-19 emergency;
- ✓ Were not classified in the category of Non performing Exposures as of December 31, 2019;
- ✓ Had not a deteriorated exposures to the banking sector as of February 29, 2020

The company benefiting of the aid must moreover undertake the commitment

- ✓ for itself and for any other company belonging to the same group of not approving distribution of dividends or the repurchase of shares in 2020
- ✓ to manage employment levels through union agreements

Percentages

The maximum guarantee percentage is equal to:

- ✓ 90% of the loan amount for companies with less than 5,000 employees in Italy and turnover value up to € 1.5 billion;
- ✓ 80% of the loan amount for companies with a turnover value of between 1.5 billion and 5 billion euros or with more than 5000 employees in Italy;
- ✓ 70% for companies with a turnover value of over 5 billion.

For the guaranteed amount limit and the relative coverage percentage, reference is made to the value of the turnover in Italy and the personnel costs incurred in Italy by the company or on a consolidated basis if the company belongs to a group

Eligible financing

Loans granted until 31 December 2020, with a tenor of no more than 6 years, with the possibility for a pre-amortization period not longer than 24 months .

The amount of the loan secured by SACE guarantee cannot exceed the higher of the following:

¹ Small and medium-sized enterprises (SME) must have prior exhausted the maximum ceiling available to obtain coverage by the Guarantee Fund for SMEs.
It is being understood that the *Decreto Liquidità* includes a wide package of aids also directed to SME which are not at present clients financed by Mizuho Bank Ltd, Milan Branch.

- ✓ 25% of 2019 turnover, as resulting from the approved financial statements or from the tax return;
- ✓ double the company's personnel costs for 2019, as resulting from the financial statements or from the certified data if the business has not yet approved the financial statements.

The financing covered by the guarantee must bear personnel costs, investments or working capital employed in production plants and business activities that are located in Italy, as documented and certified by the legal representative of the beneficiary company.

4 steps to get credit

Four steps to obtain the credit guaranteed by the State through the procedure involving SACE:

1. The client requests to its Bank a loan guaranteed by the State;
2. The Bank verifies the eligibility criteria, carries out credit screening and, in the event of a positive outcome, enters the guarantee request in the SACE's online portal.
3. SACE processes the request and, in case of positive outcome, assigns a Unique Identification Code (CUI) and issues the guarantee, counter-guaranteed by the State
4. The Bank provides the loan with SACE guarantee counter-guaranteed by the State.

The process may not be immediate also because of the necessary approval of the Authority.

Terms and conditions

The total cost will consist of the cost of the loan - interest rate including margin - defined by the Bank and the cost of the guarantee.

The annual guarantee fees payable by the companies depends on the loan amount and are 50 basis points during the first year, 100 basis points during the second and third year, 200 basis points during the fourth, fifth and sixth year.

The commissions must be limited to the recovery of costs and the cost of the loans covered by the guarantee must be lower than the cost that would have been requested by the subject or by the lenders for operations with the same characteristics but without the guarantee, as documented and certified by the legal representative of the Bank.

Documentation

Customers' requests to access to the aids will be subject to individual negotiation further to the positive credit scrutiny and approval process of Mizuho Bank Ltd, Milan Branch as well as to satisfactory Know Your Customers / Anti Money Laundering (KYC/AML) checks.

For the contractual agreement as well as the set of documentation to apply please refer to Your Relationship Manager.

Links and FAQ

www.sacesimest.it/garanziaitalia

<http://www.governo.it/it/faq-iorestoacasa>