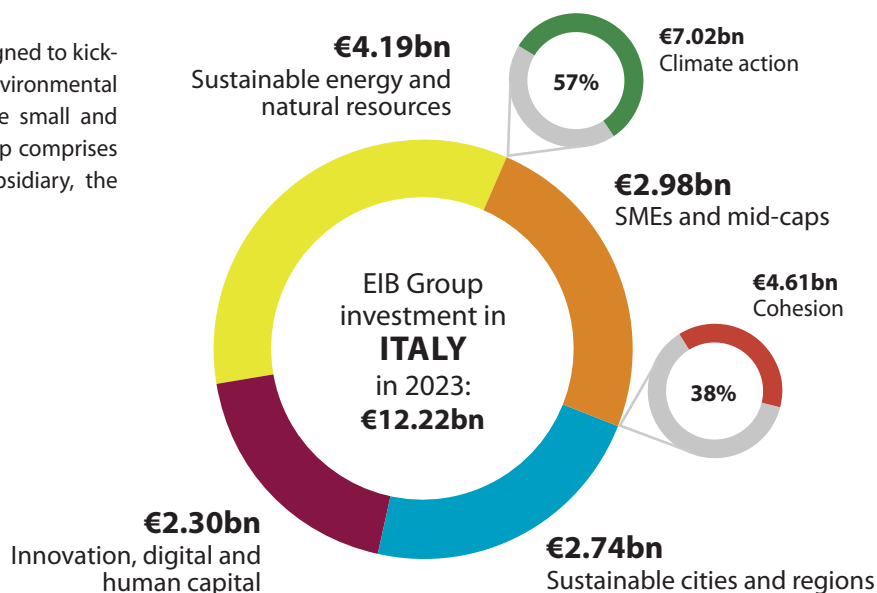


For the EIB Group, 2023 featured investments designed to kick-start the economy, promote energy security and environmental sustainability, foster social cohesion and facilitate small and medium businesses' access to credit. The EIB Group comprises the European Investment Bank (EIB) and its subsidiary, the European Investment Fund (EIF).

- **Climate action:** A significant increase in EIB Group green financing in Italy, which reached 57% of total assets (up by almost €1.5 billion compared to 2022).
- **Cohesion:** The EIB Group made a particularly strong contribution to the social cohesion objective, especially in the infrastructure sector, with a 38% share of financing.



In 2023, Italy was the leading beneficiary of financing from the EIB Group, which signed 89 operations for a total of €12.22 billion in the country. The EIB Group maintained its countercyclical role, directing investments towards small businesses, research, development and innovation activities in the private sector, and climate action. In concrete terms, by consolidating its position as the EU climate bank and responding to the need to mitigate the effects of the energy crisis following Russia's invasion of Ukraine, **the EIB Group further increased its commitment to climate action and environmental sustainability in Italy. This translates into more than €7 billion of investment in 2023, or 57% of total activity in the country (an increase of almost €1.5 billion compared to 2022).**

In addition, **the EIB Group dedicated almost a quarter of its activity in Italy to meeting the investment needs of small businesses**, supporting them to the tune of almost €3 billion. But not only that. In 2023, to address the challenges of sustainability and digitalisation and promote economic recovery in Italy, **the EIB Group provided more than €2.3 billion to support the research, development and innovation activities of large Italian companies.** The Bank also continued to support the government in implementing the National Recovery and Resilience Plan (NRRP), launching activities on the market of the Recovery and Resilience Italy fund of funds and signing a further €118 million in financing under the Thematic Fund for Tourism.



The EIB Group provided €12.22 billion¹ to support the Italian economy in 2023



The European Investment Bank (EIB) supported 64 operations worth €11.084 billion (including four alongside the EIF for €215 million).



The European Investment Fund (EIF) supported 29 operations worth €1.352 billion (including four alongside the EIB for €215 million).

1. EIB Group final financing, excluding EIB/EIF joint operations.

€7 billion to promote environmental sustainability: 57% of the EIB Group's total activity in Italy



The EIB is the EU climate bank. By adopting our policy for financing the energy sector in 2019 and subsequently with the Climate Bank Roadmap, we have committed to (i) ending the financing of fossil fuel-based projects; (ii) unlocking €1 trillion of green investment between 2021 and 2030; (iii) devoting more than 50% of our investments to climate action by 2025; (iv) aligning all financial operations with the objectives of the Paris Agreement. To achieve these objectives, **in 2023 the EIB Group invested €7.02 billion in Italy, or 57% of its total activity in the country (an increase of almost €1.5 billion compared to 2022).**

In 2023, two highly innovative EIB-funded projects promise to contribute substantially to achieving the objectives of REPowerEU and decarbonisation of the European Union. **Energy Dome**, a company based in Milan, has developed a battery based on the transformation of carbon dioxide, or CO₂ (from gas to liquid and vice versa), guaranteeing energy storage for more than ten hours, thus offering a competitive advantage over current solutions on the market, for example lithium-ion batteries. The Energy Dome solution, backed by the EIB with a venture debt loan of €25 million alongside the €35 million grant commitment under Bill Gates' Breakthrough Energy initiative announced at COP28 in Dubai, will see the construction of the first commercial-scale CO₂ battery plant in Sardinia. The second project concerns **3Sun**, the **gigafactory of ENEL Green Power**, which the EIB supported with a total investment of €165.5 million. Located in Catania, Sicily, 3Sun will increase production from 200 MW per year to 3 GW by the end of 2024, making it the largest factory for the production of solar cells and modules in Europe. 3Sun's innovative technology produces high-performance bifacial photovoltaic modules, capturing sunlight from both sides. This makes 3Sun the world's most automated photovoltaic production plant, capable of operating 24 hours a day, 365 days a year. In addition, the EIB confirmed its commitment to finance **Terna's Tyrrhenian Link** by signing a second and third tranche totalling €900 million, in addition to the €500 million loan signed in 2022. Terna will connect Sicily with Sardinia and the Italian peninsula via a double submarine cable, improving electricity exchange capacity, fostering the development of renewable energy sources and increasing grid reliability. These projects, all located in the south of Italy, demonstrate the EIB's strong commitment to promoting social and economic cohesion.



REPowerEU

Nearly €3 billion for energy efficiency, green energy and electricity grid development

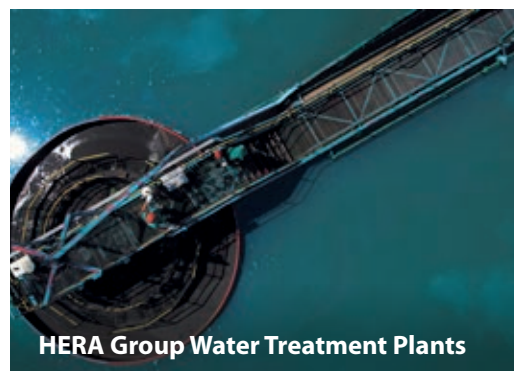
Energy efficiency is key to reducing emissions in all sectors of the economy and the cost of bills. The EIB will invest an additional €45 billion between 2022 and 2027 to help achieve REPowerEU's objectives, such as energy saving, clean energy production, and diversification of our energy supply. **In 2023, the Bank financed projects in Italy contributing to REPowerEU's objectives worth €2.98 billion.** For example, the EIB supported investments in distribution infrastructure and installation of smart meters for **A2A** (€200 million) and **ENEL** (€500 million) — enabling technologies for the green transition as they facilitate the integration of renewable sources and promote energy efficiency. In 2023, the Bank also financed **Iberdrola** to the tune of €150 million for the construction of wind and photovoltaic plants in Italy with a total capacity of around 400 MW, enough to cover the average annual consumption of some 260 000 households. With regard to public infrastructure, the EIB granted €100 million in financing to **Istituto per il credito sportivo (ICS)** for the renovation and redevelopment of sports and cultural facilities, focusing on energy efficiency, sustainable urban mobility and social inclusion. Also in the social field, the Bank is contributing to the redevelopment of over 200 apartments in the centre of Milan with a €34 million loan to **Fondo Ca' Grandà**. The housing units will be built to the highest standards of energy efficiency and environmental sustainability.

Water sector

Seven projects worth over €1 billion

Although Italy is one of the EU countries that consumes the most water, the country's water sector has outdated water mains and high water losses.

In 2023, the EIB signed seven operations worth more than €1 billion in direct support of Italy's integrated water sector, almost doubling the record volumes recorded in 2022 (+86%). We provided support to key utilities such as the **HERA Group**, which received a €460 million loan to improve the coverage, quality and resilience of water services, mainly in the areas of Emilia-Romagna affected by flooding in spring 2023. Similarly, we provided financing of €235 million to **ACEA** to help reduce water losses and increase the energy efficiency of the service provided in Rome and the surrounding area. In addition, the Bank supported the **Acquedotto Pugliese** investment programme to the tune of €270 million to offer a more efficient and resilient service to over 4 million residents in Puglia and Campania. We also provided sustainability-linked financing worth €150 million to **IREN** to improve the water service and reduce water losses in Genoa and La Spezia. Our action has extended to other big companies, such as **ACQUE** in Tuscany (€130 million), **CIIP** in Ascoli Piceno and Fermo (€50 million) and **Como Acqua** (€50 million).



HERA Group Water Treatment Plants

- *The EIB is the EU climate bank and one of the world's largest lenders to the water sector, with over 1 600 projects and more than €80 billion in funding.*
- *Italy was the leading beneficiary of EIB support for the water sector between 2016 and 2023: during this period, the EIB financed more than 40 operations totalling €3.75 billion.*

€2.51 billion to promote decarbonisation, safety and efficiency of the transport sector

In the context of environmental sustainability and climate action, the transport sector, responsible for more than 25% of CO₂ emissions in Europe, is vital. To promote a modal shift to rail and foster the development of sustainable mobility, the EIB made a private placement purchase of a €500 million **green bond issued by Ferrovie dello Stato Italiane S.p.A.** Green bonds, launched by the EIB in 2007, are an excellent alternative to traditional financial products as they support projects that promote the climate transition, diversification of sources of financing and the development of a capital markets union. The EIB resources will back the purchase of more than 100 new electric trains for regional transport in Campania and Lazio, all equipped with ERTMS safety technology. The Bank also invested a total of €2.1 billion in 2023 to help modernise 178 km of the **Palermo-Catania** railway line, reducing travel time between the two cities to two hours, which will have a significant impact on economic, social and sustainable development in Sicily. The EIB intervention is divided into a direct €800 million loan to the Ministry of Economy and Finance (MEF) and an innovative €1.3 billion counter-guarantee to **Cassa Depositi e Prestiti and Intesa Sanpaolo**. In addition, the EIB participated in co-financing the plan to renew the fleet of **Strutture Trasporto Alto Adige S.p.A.**, supporting the purchase of seven electric trains to replace the existing diesel rolling stock. This project is part of a broader investment programme to improve rail transport in the region.

To promote sustainable urban mobility, reduce CO₂ emissions and traffic in Verona, the EIB provided a €62 million loan to **Azienda Mobilità Trasporti Turismo e Territorio S.p.A. (AMT3)**. The project involves the creation of four trolleybus lines covering a total of 23 km, the purchase of 39 electric trolleybuses and the construction of a new depot to store and maintain them. Also in Verona,



Ferrovie dello Stato Italiane:
POP regional train

the EIB granted a €50 million loan to further improve the infrastructure, sustainability, efficiency and security of **Valerio Catullo Airport**. The Bank also provided financing of €160 million to **ENAV**, the company that manages civil air traffic in Italy, to promote the modernisation and digitalisation of infrastructure and safety systems. In addition, the Bank supported projects designed to promote the modernisation, safety, environmental sustainability and resilience of the A32 motorway, which connects the north-west of Italy to France through the Fréjus tunnel. In concrete terms, the EIB financed the infrastructure via a total investment of €247 million, broken down into a direct project finance loan of around €105 million to **SITAF** and intermediated loans worth €92 million granted to **Cassa Depositi e Prestiti** and a €50 million loan to **UniCredit**, resources that will then be passed on to SITAF for project implementation.

Nearly €3 billion supporting more than 58 000 SMEs and mid-caps



Once more in 2023, support for small businesses and mid-caps was at the heart of our support for the Italian economy. To ensure significant impact and reach as many companies as possible, the EIB Group works closely with the national promotional bank, Cassa Depositi e Prestiti (CDP), and with most Italian commercial banks. EIB financial intermediaries are required to pass on the EIB's financial advantage to the final beneficiaries.

In 2023, the EIB Group dedicated 24% of its activity in Italy, or €2.98 billion, to support the investment needs of more than 58 000 small businesses and mid-caps employing over 1 million people.

For example, in 2023 the EIB Group worked with:

- **Cassa depositi e prestiti (CDP):** Financing of €400 million to support small businesses and mid-caps, including through alternative finance instruments such as mini-bonds and basket bonds, thus helping to achieve the objectives of the capital markets union.
- **Crédit Agricole Italia (CA):** Financing of €400 million, via the covered bond instrument, the first signed by the EIB under the new national legal framework for covered bonds. The operation supports the working capital and investment needs of small businesses to promote their green and energy transition.
- **Deutsche Bank:** Provision of new finance of nearly €600 million to support the investments of 650 000 small businesses and mid-caps in Italy. 25% of these funds will be dedicated to innovative companies to foster economic growth, while 30% will be allocated to projects developed in social cohesion regions.
- **Intesa Sanpaolo:** €100 million loan to support the green transition of the public sector and publicly-owned companies. This is the first loan granted by the EIB to a commercial bank in Italy to promote sustainable public sector investments.
- **UniCredit:** €65 million agreement to improve the energy efficiency of residential buildings: this is the EIB Group's first synthetic securitisation operation on residential mortgages in Italy.

European Innovation Council (EIC)

Six agreements totalling €17 million

The EIB acts as advisor to the European Innovation Council (EIC) fund. The Bank conducts due diligence on candidate companies, provides also investment recommendations and manages trades to boost investments in innovation on behalf of the fund. The European Innovation Council is part of a broader initiative of the European Commission, known as the EIC Accelerator, to support EU startups in the deep-tech sector and ensure that their innovation capabilities and know-how remain in Europe.

In 2023, the EIC fund, significantly expanded its activity in Italy by signing six investment agreements for a total of €17 million of equity capital, thus helping to unlock €80 million from private investors. Lastly, in 2023 the Ministry for Universities and Research (MUR) invited the EIB Advisory Services team to examine the success rate of Italian startups in the EIC Accelerator programme aimed at identifying key recommendations to help it grow.

€2.3 billion for research, development and innovation, and digitalisation of the private sector

Research, development and innovation is playing an increasingly important role in the EU economy. In addition to bringing benefits to consumers and workers, research, these are essential to creating jobs, building a more environmentally-friendly society, improving the quality of our lives and safeguarding the competitiveness of the European Union.

In 2023, the EIB Group financed the research, development and innovation activities of Italian companies to the tune of €2.31 billion.

A tangible example is the agreement signed with the **Iveco Group** for financing of up to €500 million to promote the electrification, efficiency and safety of the transport sector through investments in innovative technologies and architecture in the field of electric propulsion. The EIB also provided a €30 million loan to the **MERMEC Group**, an Italian multinational based in Monopoli, Puglia, for the development of highly innovative technological solutions to improve rail system reliability, safety and efficiency.



In addition to Iveco and the MERMEC Group, in 2023 the EIB provided financing to two other large Italian companies: **Amplifon** and **TIM Group**. In the case of Amplifon, an EIB loan of up to €350 million will contribute to further innovate its products and services, ensuring an excellent and fully personalised audiological experience using the company's digital data and technologies. The EIB granted a €360 million loan to support TIM Group's research, development and innovation activities focused on improving 5G coverage across the country.

In addition, the EIB aims to improve food security and environmental sustainability by granting a €20 million venture debt loan to **Xnext**. Xnext will use the EIB loan to roll out its quality inspection technology in the food processing sector worldwide, also extending applications to the textile and pharmaceutical industries. The EIB also provided €50 million in financing to support the innovation and digitalisation strategy of **Epta**, a global company based in Milan specialised in the commercial refrigeration sector. With the EIB being the EU climate bank, one of the key objectives of this support is to deliver positive environmental effects. Thanks to investments in new technologies and digitalisation, Epta will improve production processes and reduce the environmental footprint of its customers, supporting them in the energy transition and helping to reduce food waste.

More than €235 million for the modernisation and refurbishment of university infrastructure

The EIB has been supporting the European education sector from kindergarten to post-graduate level for over 20 years. The funding granted to Italian universities in 2023 was chiefly focused on supporting operations to improve the energy efficiency of infrastructure, create new student housing, and expand and improve facilities dedicated to teaching, research and welcoming students. In 2023 the EIB provided €50 million to **Bocconi**, €46 million to the **University of Bologna**, €46 million to the **University of Modena and Reggio Emilia** and €97.5 million to **Politecnico di Torino** for the construction and renovation of buildings according to the highest standards of energy efficiency. These investments will not only improve energy efficiency in the respective universities, but will also create new housing for students, refurbish learning, teaching and research facilities, and foster gender balance in science, technology, engineering and mathematics (STEM) study programmes. These objectives are also included in the **memorandum of understanding signed between the EIB Group and the Ministry for Universities and Research (MUR)**. The agreement will also enable the EIB Group to provide the ministry and interested Italian universities with technical assistance to facilitate access to its financial products.





12 technical assistance projects signed

The EIB not only provides financing at favourable conditions but also offers a wide range of technical assistance services covering all phases of the project and beyond. We support the development of projects and work with public authorities to improve our customers' planning and thus facilitate access to finance. In 2023, **the EIB signed 12 technical assistance projects in Italy, to be provided to public authorities free of charge**. Among these, the agreement with **Roma Capitale** to improve the energy efficiency of over 200 school buildings and the agreement signed with the **Extraordinary Commissioner of the Government for reconstruction of flood-affected areas on the island of Ischia** stand out. Specifically, the latter agreement will help identify the most urgent and effective action to promote climate adaptation, investment options, requirements for technical planning and post-earthquake reconstruction of Ischia according to the BBB (building back better) principle, as well as action to mitigate hydrogeological risk with the aim of rebuilding and improving the resilience of the affected areas.

Through the JASPERS initiative, the EIB continues to assist most of the southern regions of the country (Calabria, Campania, Puglia, Sardinia and Sicily) in the implementation of their regional programmes, with a particular focus on environmental sustainability, knowledge transfer, and capacity-building aspects. Also through JASPERS, the EIB has supported the Cohesion Department with the preparation of climate proofing guidance, the Just Transition Fund (JTF) and the PON Metro, and the Ministry of Infrastructure and Transport (MIT) with the development of projects for the Naples-Bari and Palermo-Catania railway lines. To develop the technical capacities of financial intermediaries specialised in the provision of microcredit and social entrepreneurship loans, the EIB has offered technical assistance to **PerMicro** designed to promote financial inclusion, improve access to banking and financial services and support economic development in vulnerable areas.

Through the **Green Gateway** platform, a number of Italian banks, including **illimity, Medio Credito Trentino-Alto Adige, Alba Leasing and Cassa di Risparmio di Bolzano**, benefited from bilateral advisory services in 2023 to develop the climate components of EIB intermediated loans. Our advisory services help to improve the eligibility assessment and monitoring of the impact of EIB green projects, and expand the knowledge of EIB Group financial intermediaries concerning the EU green taxonomy. In June 2023, the Bank hosted a sustainable finance event in Rome, where the EIB Group's financial and advisory offer in the field of sustainability was presented. More than 30 financial institutions attended the event.



€1.35 billion from the EIF for small businesses, innovation and climate action

The **European Investment Fund (EIF)**, part of the EIB Group, supports micro, small and medium-sized businesses (SMEs) by helping them to access finance and venture capital. The EIF is also active in supporting climate and infrastructure fund investments with a strong focus on environmental and social sustainability and innovation. Between 1996 and 2023, the EIF helped mobilise over €98 billion in funding in Italy, supporting more than 415 000 small and medium businesses and over 2 million jobs.

In 2023, the EIB Group dedicated 24% of its activity in Italy, or €2.98 billion, to support the investment needs of more than 58 000 small businesses and mid-caps employing over 1 million people.

- **Investments in funds:** €554 million² invested in equity operations in 2023 in Italy (+29% compared to 2022). Worth noting are the €30 million invested in the **Fondo Italiano Agritech & Food** fund to support the growth of Italian companies active in the agri-food supply chain, and €34 million invested in **Linfa Ventures** to promote tech-driven companies active in the agricultural sector and in the food value chain.
- **Guarantees and securitisation:** A total of around €798 million invested in guarantees and securitisation operations in Italy in 2023. Among the main transactions we find a €120 million agreement with **CDP** designed to unlock €4.3 billion worth of investments in small businesses, and a €30 million securitisation transaction with **Alba Leasing** designed to support climate action and gender equality.

Climate, Innovation and Social – three of the EIF's investment priorities

- **Climate:** To promote the green transition in Italy, the EIF signed ten guarantee agreements totalling €189 million designed to unlock investments worth some €539 million. Examples of EIF investment in equity activities supporting climate action include €30 million as anchor investor in the **Azimut Diversified Corporate Credit fund** to support Italian companies' investments promoting energy efficiency, the circular economy and gender equality, and €30 million in **Ambienta Sustainable Credit Opportunities** to support companies and projects contributing to resource efficiency and pollution mitigation.
- **Innovation:** To promote highly innovative projects and support the digitalisation of small businesses, the EIF signed ten guarantee agreements amounting to €235 million. In terms of equity investments, for example, the EIF invested €40 million in **Deep Blue Ventures**, a fund dedicated to technology transfer investments in the centre and south of Italy.
- **Social:** Alongside **CDP Real Asset SGR**, the EIF chose Italy to launch its first national programme dedicated to social housing in Europe, which will help promote social housing investments totalling €300 million.

Key mandates managed by the EIF

- **InvestEU:** The EIF is also one of InvestEU's main partners, managing €11 billion in funds to unlock €145 billion in investment for small businesses, mid-caps, infrastructure and private projects.
- **European Tech Champions Initiative (ETCI):** To address Europe's venture capital lag, the EIB Group launched the **European Tech Champions Initiative with Belgium, France, Germany, Italy and Spain**. It is a €3.75 billion fund of funds managed directly by the EIF that will help European late-stage venture capital funds emerge and grow so that they can channel the necessary scale-up capital to promising European innovators.

2. Including private debt funds.

Overall EIB Group achievements in 2023

Total financing

€87.85 billion³, of which

€75.14 billion from the EIB and

€14.91 billion from the EIF

(EIB/EIF joint operations: €2.2 billion)

Climate action

€49 billion

Total investment mobilised

Around **€320 billion**

Social cohesion

More than **45%**
of total EIB Group financing within
the European Union,
or **€36.02 billion**

EIB Global

Investments outside the European Union totalled

€8.44 billion

Small businesses and mid-caps

€20 billion

23% of total EIB Group financing,
supporting more than

400 000 small businesses

3. EIB Group final financing, excluding EIB/EIF joint operations.

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