




Digital Forum & Digi Talks

Financial Package and Digital Transformation to mitigate the economic impact of COVID-19

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UniCredit Bank - International Clients

30th Nov 2020

Banking that matters. |  **UniCredit**

Agenda



UniCredit Bank at a glance



**COVID-19 Romanian State & European Investment Fund (EIF) Aid
Financial Package**



The New Normal – Digital Transformation and Distance Banking



Agenda



UniCredit Bank at a glance



**COVID-19 Romanian State & European Investment Fund (EIF) Aid
Financial Package**



The New Normal – Digital Transformation and Distance Banking



Who we are

One Bank, One UniCredit .

UniCredit is a **simple successful pan-European commercial bank**, with a fully plugged in CIB, delivering a unique Western, Central and Eastern European network to our extensive client and growing franchise.

We meet real client needs with real solutions which harness synergies between our business divisions: **CIB, Commercial Banking** and **Wealth Management**. The way in which these solutions are developed and provided is as important as the solutions themselves, which is why everything we do is based on our two core values **Ethics and Respect**.

By focusing on banking that matters, we offer local and international expertise, providing unparalleled access to market leading products and services in 13 core markets* through our European banking network.

Leveraging on an international network of representative offices and branches, UniCredit serves clients in another 18 countries worldwide.

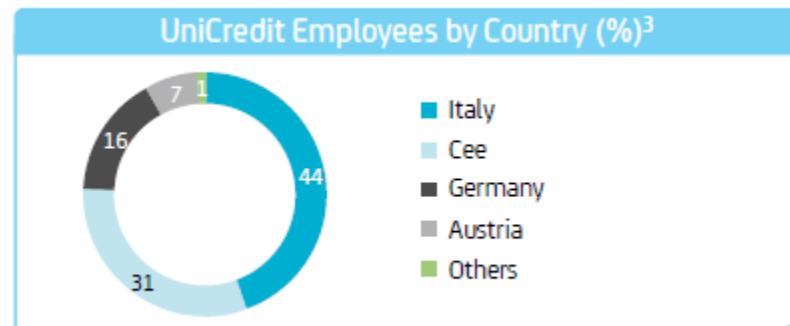
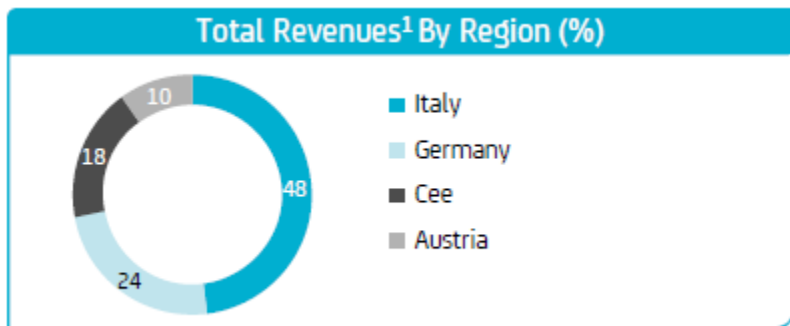
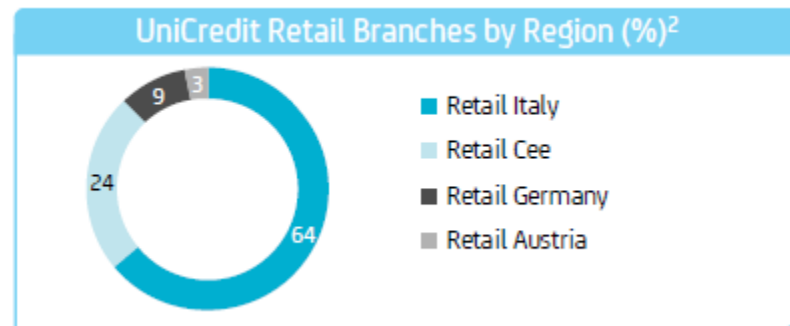
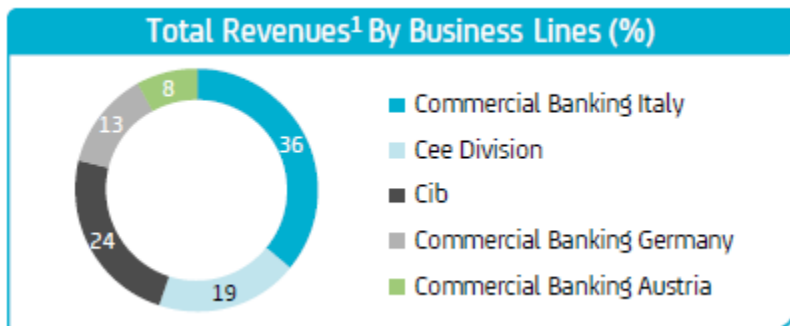


*Assuming full deconsolidation of Yapi; UniCredit Group Company profile March 2020



Pan-European commercial bank

We have a solid European identity with well-diversified revenues



¹Assuming full deconsolidation of Yapi; UniCredit Group Company profile March 2020



UniCredit Bank Romania

The Leading Romanian Corporate Bank

We have **more than 25 years of history**, being one of the banks with the longest history on the Romanian market. In Corporate, UniCredit is among the top banks covering Multinational Companies present in Romania.

UniCredit Bank caters to a variety of client needs through a network of specialized partners:

- UniCredit Leasing Corporation
- UniCredit Consumer Financing
- UniCredit Insurance Broker
- Amundi Asset Management
- UniCredit Services

Figure 30 September 2020*

Deposits	6,935 mln Euro (+7.8% vs Q3 2019)
Loans	5,939 mln Euro (-2.3% vs Q3 2019)
Consolidated Profit	87 mln Euro (-27.2% vs Q3 2019)
Employees	3,420



Unicredit: a reliable partner in Romania

- **Strong presence** over the country (135 branches)
- Traditional presence on the market with **exceptional reputation**
- **Cross border** business partner

*DIVISIONAL DATABASE 3Q20



UniCredit Bank Romania

Awards 2019-2020

- ✓ 2019 Euromoney's Trade Finance Survey – UniCredit, Market Leader in Romania / UniCredit – “Best service” in Romania
- ✓ UniCredit Bank “e-cards” Category Award E-Finance Gala (Finmedia)
- ✓ Euromoney Private Banking and Wealth Management Survey - Best Private Banking Services Overall în România
- ✓ Mastercard Bank of the Year Gala – Ucfin – The Non Financial Institution of the Year 2018
- ✓ Mastercard Young by UniCredit Bank – Product of the Year 2019 (Media Concept Store)
- ✓ Euromoney Cash Management Survey 2019 - „Best Service Provider for cash management” in Romania, „Cash management market leader” in Romania.
- ✓ Global Finance “World’s Best Private Banks 2020” – Best private bank in Romania
- ✓ The Banker Awards - 2019 “Bank of the Year” in Romania
- ✓ UniCredit - Market Leader and Best Service provider in Romania - Euromoney's Trade Finance Survey 2020



UniCredit Bank Romania

Services for International clients

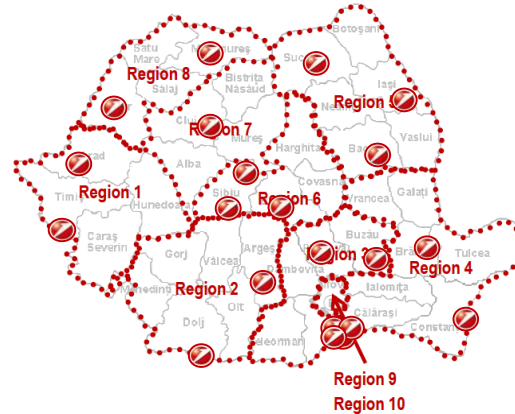
- **Extended presence in the country** to be closer to customer needs
- Strong commercial network with dedicated desk coordinators divided by country of origin of customers located in the UniCredit International Center of the HO.

10 commercial regions

23 corporate branches

4 desk for international clients

62 Regional Managers to in



- International clients are served by a dedicated and specialized team, capable of communicating in different international languages (English, Italian, German, Hungarian, Turkish) with coverage in all the country.
- Strong collaboration with colleagues from other UniCredit Group banks in order to maintain a common and coherent approach.
- Short chain of commandos with local decision-making powers.



UniCredit Bank Romania provides a wide range of CIB services

Lending Products

Investment Loan

- Corporate Loans
- Acquisition Finance
- Project Finance

Short Term Loan

- Loans for current activity of the company
- Bridge financing

Syndicated Financing

Trade Finance & Services

Traditional Trade

- Bank Guarantees
- Documentary collections
- Letter of Credit

Structured Trade and Export Finance

- Export/Import Finance
- Receivable Finance
- Commodity Trade Finance

Financing & Advisory

Support for the group entities on Capital Markets transactions

- Bond Issuances on local and international markets
- IPOs and capital increases
- Public take-overs

M&A Advisory services

Arranging leveraged facilities for buyout purposes.

Factoring / WOCA

- Advancing funds on eligible receivables
- Collection Outsourcing
- Sales Ledger Administration
- Debtors' non-payment risk coverage

Cash Management & eBanking

Transaction Solutions

- Current account - flexible account structures
- FCY payments (SEPA & nonSEPA) & collections (local and FCY currencies, xml format)
- Invoice collections – Direct Debit; ATM/BNA and EBanking templates
- Secured valuable collection & processing; Cash360 vault machines
- Electronic Customs Duty Payment (CustomsLink)

Electronic Channels

- Multicash
- Other available channels MT101; EuropeanGate;

Card Solutions

- Acquiring
- Issuing

Liquidity Management

- Cash pooling - tailor made solutions including “zero balancing”, within the Group and “target balancing
- Cash sweeping structures

Global Markets

FX Products

- FX spot
- FX swaps
- FX forwards,
- Connectivity on portal for local entities

Interest Rates Products

- IRS
- CCS (cross currency swap)
- Options (Caps, Floor)
- Structure products

Commodity Products

- Swaps (Bullet and Asian Swaps)
- Options (Plain vanilla or Asian Options)



CEE CIB – Cross-Border Business

UniCredit International Centers

- **Dedicated offices/international client units specialised in cross-border business**, speaking multiple languages and having a deep market knowledge
- **One single entry point** in each country and state-of-the-art services out of one hand
- Access to **dedicated Group-wide products**, from a simple cross-border current account opening to more complex structured financial solutions
- **Additional services**, including advisory activities, as well as fiscal and legal support in conjunction with local external professionals



Agenda



UniCredit Group and UniCredit Bank at a glance



**COVID-19 Romanian State & European Investment Fund (EIF) Aid
Financial Package**



The New Normal – Digital Transformation and Distance Banking



OUG n. 42/2020 on business financing SMEs¹ and Small Mid Caps^{2*} (1/3)



On 04/04/2020, the Emergency Ordinance (OU) n. 42/2020 was published in the Official Romanian Gazette with regards the IMM Invest Program, a risk sharing scheme that grants guarantees for SMEs in the context of the Coronavirus crisis. **Initial allocated plafond 15 billion Ron, recently increased up to 20 billion Ron and eligibility criteria extended to Small Mid Caps***



The IMM INVEST ROMANIA program allows SMEs and Small Mid Caps to guarantee their liquidity for current activity or investments, by accessing one or more credits to make investments and / or one or more credits / lines. Working capital line, guaranteed by FNGCIMM on behalf of the Romanian State, through the Ministry of Public Finances, **up to a maximum coverage of 80% for SMEs and Small Mid Caps and 90% for microenterprises.**



Conditions for the maximum limits required:

- Double the value representing the salary costs, including social security contributions and taxes corresponding to the total value of the wages recorded in the year 2019. For companies registered in 2019, the value of the loan cannot exceed the value estimated for the first two years of activity; **or**
- 25% from the 2019 net turnover; **or**
- company's liquidity needs evaluated for a period of maximum 18 months; this could include working capital, but also costs for investments justified by documents;

1 SMEs: less than 250 employees and Annual Turnover should not exceed EUR 50mln or Total Asset should not exceed EUR 43mln

2. Small Mid Caps: 249 – 499 employees and Annual Turnover should not exceed EUR 100mln or Total Assets not exceed EUR 86mln

* EU approval to extend the eligibility criteria to Small Mid Caps, still pending



OUG n. 42/2020 on business financing SMEs and Small Mid Caps* (2/3)



In order to access credit lines, SMEs or Small Mid Caps will have to meet the following requirements:

- not be in difficulty according to EU legislation (including insolvency), nor to be in dispute with the Ministry of Public Finance and / or the partner credit institution;
- it presents collaterals to the credit institution which, in the case of investment loans with state guarantee and legal mortgage on real estate and / or securities on credit-financed assets, cover at least 100% of the value of the loan. For loans / credit lines granted for financing of working capital, may be included in the structure the guarantees related to mortgage credit the credit balances of all accounts opened by the beneficiary with the credit institution, together with the state guarantee;
- must not be prohibited from issuing checks on 31 December 2019 and have not had any major incident in the 6 months prior to 31 December 2019



- maximum maturity: **72 months for investments and 36 months for working capital loans** - the latter extendable one time for another 36 months.
- ***The financing costs are 100% subsidized by the Romanian state for the first 8 months from the first disbursement, not later than 30.10.2021***¹
- The maximum amounts / client are **10,000,000 RON** for investments and **5,000,000 RON** for working capital line

1. **Interest rate:** ROBOR 3M + max 2.5% (the interest rate is 100% subsidized by the Gov't until 31.12.2020). Starting 2021, the client is paying the interest.
Annual Guarantee fee to FNGCIMM (0.15%) is subsidized by the Gov't as long as the State Aid Scheme is in force (annual State Budget allocation is needed)
Annual risk fee to MoF (1%) is fully subsidized by the Gov't until the maturity



OUG n. 42/2020 on business financing SMEs and Small Mid Caps* (3/3)



Registration of requests in the FNGCIMM - IMM INVEST program:

- The beneficiary must register and submit the online request available on the website: www.imminvest.ro;
- Fill in the online request with the company data and attach the SME or Small Mid Caps declaration in .pdf;
- Apply online for the loan(s) requested or for the credit line(s);
- The application automatically generates a confirmation message of successful registration;
- After verifying the documents and data attached to the request, FNGCIMM issues a certificate regarding the eligibility of the request and a registration number;
- FNGCIMM will make available the documents and the confirmation of eligibility of the beneficiary to the banking institution;
- The lender analyzes and deliberates the request giving prompt confirmation to the applicant and to FNGCIMM.



Exclusions:

- Are not considered existing loans, including leasing loans, if granted in the last six months before 31 December 2019 or if they are existing facilities; neither in difficulty nor in dispute, as a defendant, with the Ministry of Public Finance and / or the partner credit institution
- small and medium-sized enterprises in the sectors that are not eligible for guarantees under the program: gambling and betting activities, production or sale of weapons, ammunition, explosives, tobacco, alcohol, substances under national control, substances and drugs made out of narcotic and psychotropic, investigation and protection activities, protection and guarding activities, surveillance activities and security systems.

* EU approval to extend the eligibility criteria to Small Mid Caps, still pending



UniCredit and EU Funds

UniCredit, as one of the leading financial institutions within the European Union, has a long and successful track record of handling state and EU supported programs in Italy, Germany, Austria and CEE region

“European Competence Centers”

- UniCredit offers special advisory and expertise through dedicated teams in Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Hungary, Romania, Serbia, Slovakia and Slovenia, under coordination and support of the Central steering team in Vienna

Offering access to financial instruments, grants and agricultural subsidies

- UniCredit facilitates customers an access to a variety of **financial instruments, EU grant programs** and **agricultural subsidies** in CEE countries
- Profound experience with supranational financial institutions (e.g. EIB, EIF, EBRD, IFC, KfW) and local authorities in offering **risk sharing solutions** allowing **lower collateral requirements**, as well as pricing benefits for the customers
- UniCredit is the biggest supporter of innovative clients in CEE region: in cooperation with EIF, UniCredit offers **InnovFin guarantee** via an umbrella facility, implemented in 9 CEE countries: 9 banks and 6 leasing entities, stimulating easier access to financing for SME and Small Mid corporate clients

InnovFin
SME Guarantee

Providing risk sharing solutions





Extended clients eligibility – from 500 up to 3000 employees on group level



Special COVID support for WC finance: 80% guarantee rate, tenor up to 6 years



Flexible eligibility for WC support – innovation criteria broadened



Restructuring support for existing clients with InnovFin, WC loans for new clients even with worsened financial standing



Eligibility

Recipients:
SMEs (<250 employees)
small MC (<500 employees) MC
(< 3000 employees)*

Industries
all, except defence-related
activities, tobacco, substances
banned by international law or
gambling facilities

Innovative companies
e.g. Invest in producing or developing
innovative products, processes and/or
services; **digitalization**;
"fast growing enterprises"

COVID Support*
extended eligibility for working
capital finance based on Client
self declaration for COVID impact
on the business

Financing

Transaction size
EUR 25k - 7,5 mln

Tenor
1 year – 10 years

Financing purpose
Investment loans, WC loans

Guarantee rate

50% for investment loans, 80% for WC loans*

Costs

Guarantee fee on the covered part:
SME – 0,5%; small MC – 0,8%; MC – risk spread, min 0,8%*

Other fees/ Penalties
No

Other details

Unfunded

**Uncapped
guarantee**

Approval process:
Within the Bank

**Combination with other
instruments**

De minimis
No

Pari-passu
Yes

CCY
EUR and EU local currencies

Reporting
Quarterly



Agenda



UniCredit Group and UniCredit Bank at a glance



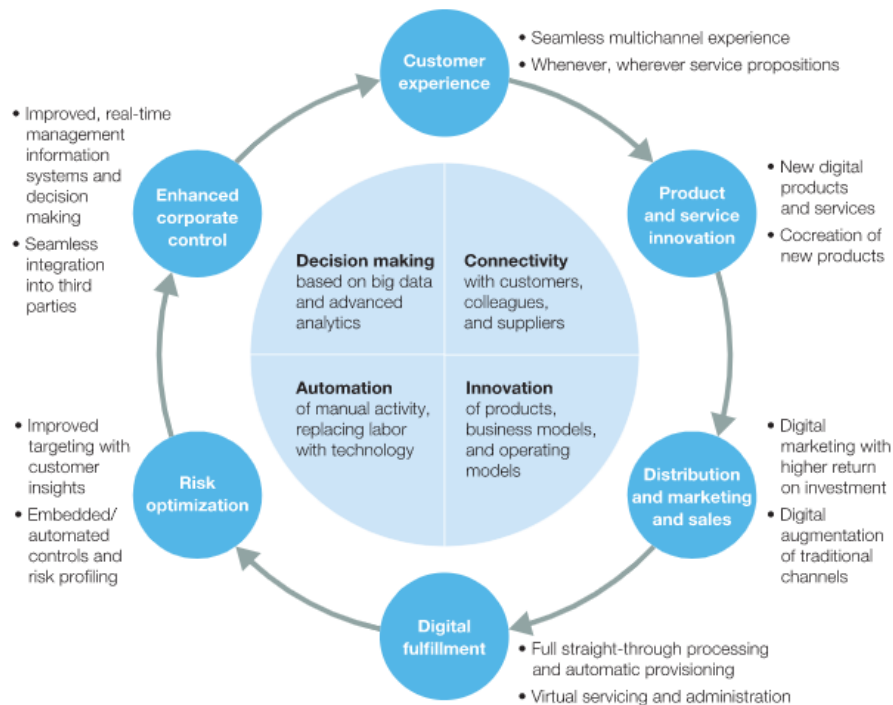
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The New Normal – Digital Transformation and Distance Banking



Digital can reshape every aspect of the modern way do to business



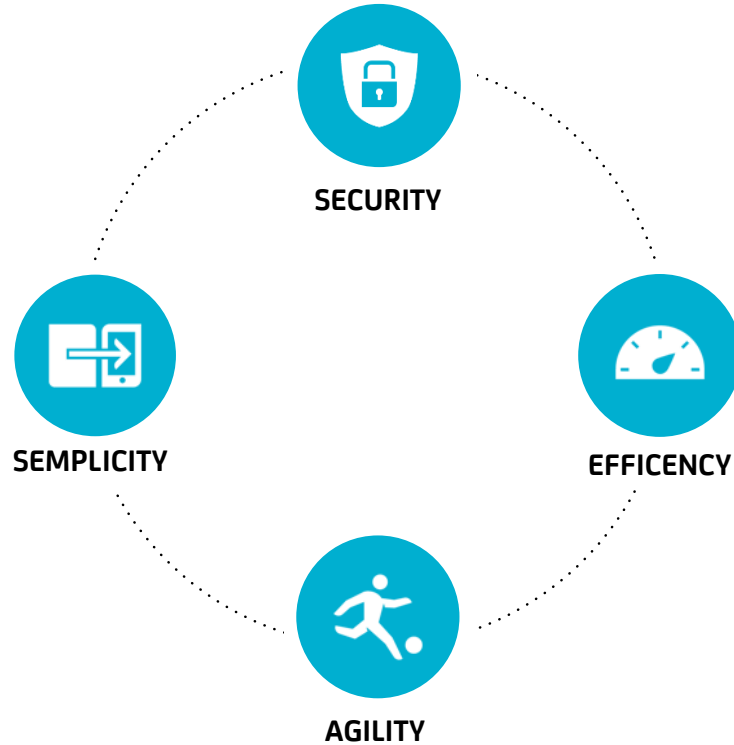
Source: Expert Interview, McKinsey analysis



Digital transformation in Banking



What innovation can offer to our clients?



Proximity and direct Communication is KEY



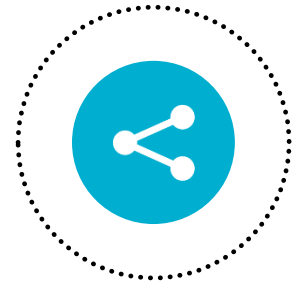
**Research
Publications**



**Support our
extensive
client base and
economies**



**Organize group
calls with our
experts**



**Share all good
initiatives and
stories**



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