

PRESS RELEASE

## **Credit: ABI, over 10,600 bank branches are ready for CEI's guarantee fund**

*The number of bank branches participating in the ABI-CEI agreement on microcredit, which will come into force in September, has significantly increased: a list of participating banks and the terms and conditions provided are available on ABI's website <http://www.abi.it>. Up to 180 million euros of funding will be made available to families in need. The national road show presenting the agreement has already been held in Bari, Florence, Reggio Calabria and Verona and will go to other cities across Italy.*

Over one third of bank branches have signed up with the ABI-CEI agreement envisaging a national microcredit program to support families in need due to the recent financial crisis. Currently, 10,672 branches are ready to implement the measures set out in the agreement that will come into force in September. To that end, a national road show presenting the program, which has already taken place in Bari, Florence, Reggio Calabria and Verona, will continue its jaunt across Italy. 700 people, representatives from 57 banks, 102 Caritas offices and 30 local entities participated in the event.

A list of participating banks and the terms and conditions provided are available on ABI's website <http://www.abi.it>. The figures reveal that some banks provide terms and conditions that are more favorable than those set out in the agreement.

The ABI-CEI framework agreement aims to favor the granting of loans to large families or those in which there is a member with an illness or disability, having no income but wishing to find a job or start up a business, by using a guarantee fund which will be set up by CEI.

This guarantee fund, which will be initially worth 30 million euros, will grant up to 180 million euros of funding (with a 50% guarantee), and this amount may even increase in the future. It is the largest microcredit program that Italy has ever participated in and a one-of-a-kind initiative also at the European level, due to its unique features and the number of participating banks.

Loans not exceeding 6 thousand euros shall be eligible for the guarantee and will be divided in monthly tranches in accordance with the terms agreed upon between the bank and its customers. The loan may be extended for an additional 12 months, subject to assessment by the bank; the maximum amount of the new loan is 6,000 euros. The repayment of the loan shall start 12 months after the decision was issued and its maximum duration shall be 5 years. An annual percentage rate of charge not exceeding 50% with respect to the average rate applied to personal loans, as published by the Italian Ministry of Economy and Finance in accordance with Law no. 108/1996, shall be applied to the loan. Several banks have already proposed more favorable terms and conditions for customers.

Families possessing the necessary qualifications required by the agreement should go to the nearest Diocesan office, complete the questionnaire and the relevant documents regarding their job replacement or business start-up project, relying on the operators' assistance, enclose the relevant documents and submit the loan application form to a participating bank. The list of Diocesan offices and participating banks will be made available on the [www.abi.it](http://www.abi.it) website starting September 1.

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