

Round Table Strengthening Economic Growth through a New Policy Agenda: the Role of Finance and Regulation in support of Innovation

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The importance of a financial support for innovation

Lisbon Strategy making the EU "the most dynamic and competitive knowledge-based economy in the world by 2010"

- ✓ The EU Heads of State and Government stressed the importance of R&D and innovation for the growth of the European economy.
- ✓ Therefore, the *promotion of innovation and research in European companies* is the main goal shared both by the EU and by the Member States.
- ✓ In line with the provisions of the Lisbon Strategy, it is essential to support companies investing in research and innovation through a *variety of sources and funding mechanisms*.

World recovering

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	2008	2009q1	2009q2	2009q3		2009e	
Eurozone	0,8	-2,0	-0,2	0,4		-3,8	
- France	0,3	-1,4	0,3	0,3		-2,1	
- Germany	1,0	-3,5	0,4	0,7		-5,0	
- Italy	-1,0	-2,7	-0,5	0,6		-4,7	
- Spain	0,9	-1,6	-1,1	-0,3		-3,6	
Japan	-0,7	-3,2	0,7	1,2		-5,5	
USA	0,4	-1,6	-0,2	0,9		-2,5	
UK	0,6	-2,5	-0,6	-0,4		-4,7	

Source: Thomson Reuters and forecasts by Intesa Sanpaolo



The Intesa Sanpaolo Group (1)

Intesa Sanpaolo is the result of a merger of two major Italian banks, Banca Intesa and Sanpaolo IMI, that became effective on 1st January 2007.

Intesa Sanpaolo has leadership in the Italian market and a strong international presence focused on Central-Eastern Europe and the Mediterranean basin.

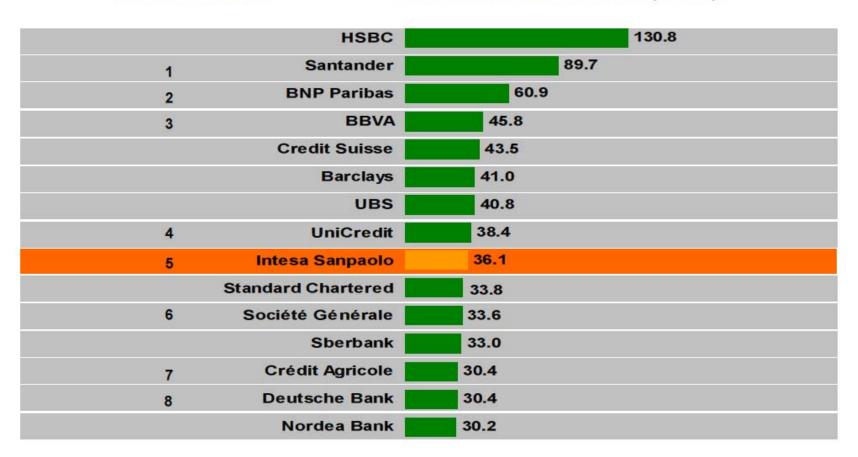


The Intesa Sanpaolo Group (2)

Intesa Sanpaolo has become the leader in Italy in all segments and the 5th banking group in Europe in term of market capitalization.

EUROZONE RANKING

BANKS' MARKET CAPITALISATION (euro bn)



Intesa Sanpaolo in support of innovation

- Mediocredito Italiano and Nova +
- Nova+ is a medium-long term loan, usually without pledge on borrower's assets, issued to **R&D** investment projects and covering the whole amount according to the budget planned.
- Intesa Sanpaolo Atlante Ventures and Atlante Ventures Mezzogiorno
- These are two venture capital funds with a **specific geographic or product focus**. Atlante Ventures aims to support the start-up of Italian companies. Atlante Ventures Mezzogiorno supports innovative companies in Southern Italy.
- Intesa Sanpaolo Eurodesk
- The Brussels based consultancy company fully owned by our Group and created to help companies to **access to EU funding**, with a special focus on R&D and Innovation Programmes.
- The joint EIB/Intesa Sanpaolo Risk Sharing Finance Facility
- The ISP group is a partner bank of the EIB for the **Risk Sharing Finance Facility**, where 100 million EUR are available for financing mid cap investments in the energy, environment and R&D sectors.

Policy suggestions

The financial sector can play an important role in supporting innovation. However, banks need the support of the European institutions and of national and local authorities, to stimulate the provision of funds for enterprises.

- ✓ Increasing the EU budget as a tool for *fostering innovation and growth*
- ✓ Boosting the budget dedicated to the Competitiveness and Innovation Framework Programme (CIP)
- Extending the risk-sharing products offered by the European Investment Bank (EIB)
- ✓ Boosting the role of innovation in the Basel II architecture (innovation in rating systems)