

## WHO IS BANCA ETICA?

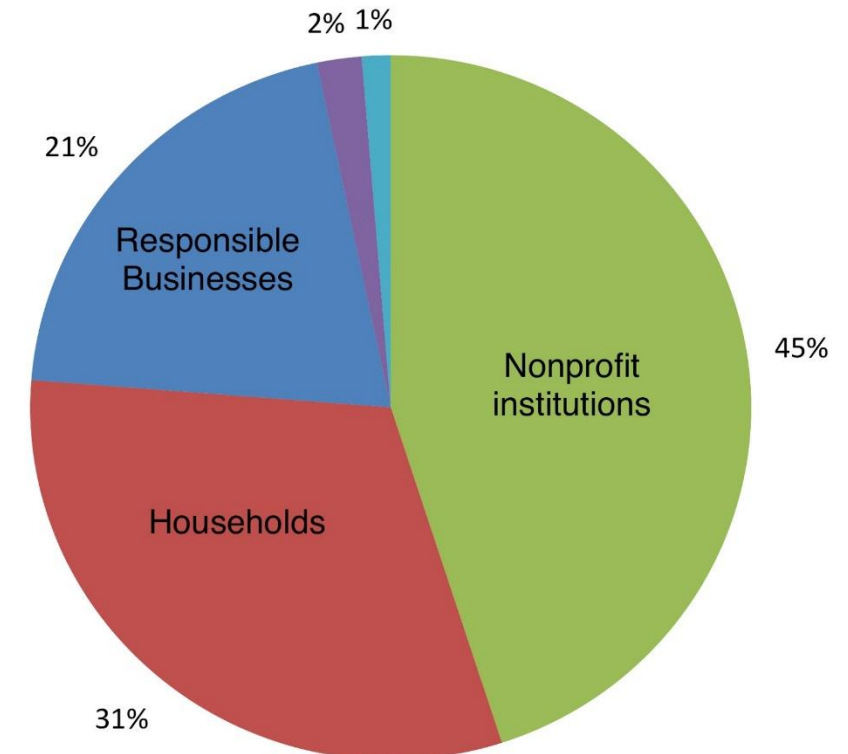
- Banca Etica is a **cooperative bank** operating in Italy since 1999 and in Spain since 2014. Its roots are in the Italian experience of nonprofit solidarity-based economy and in the global fair trade movement, both developing during the late '70s and needing a sort of "homeopathic finance".
- Thousands people and hundreds non-profit institutions thus founded a bank inspired by the **principles of ethical finance**: participation, transparency, efficiency, awareness of the non-economic consequences of economic actions.

WHERE WE ARE GOING - figure at 30.06.2018

- SHARE CAPITAL € 65.878.000
- OWN FUNDS € 4.700.000
- CET.1 11,22% (31.08.2018)
- TOTAL CAPITAL RATIO 13,04% (31.08.2018)
- NUMBER OF MEMBERS >41.000
- SAVING COLLECTION € 1.454.654.000
- LOANS PORTFOLIO € 882.021.000
- NUMBER OF WORKERS 302
  - Non Performing Loans on total exposures 2.36%
  - with a Net Default ratio at 0.89%

## HOW WE WORK? *non-economic consequences of economic actions)*

- Any credit request is investigated from **a triple perspective**: (1) economic & financial sustainability, (2) social and (3) environmental assessment of the loan applicant and of the project. Several parameters are considered such as: quality of governance, gender and diversity practices, respect for the environment, employees' working conditions, commercial fairness, reputation, etc.
- This process involves the **Social Evaluators**, members of the bank who voluntarily carry on part of the assessment (appropriately trained).



## ABOUT MICROFINANCE ... *(Italy, Europe ... in the World)*

**In Italy**, Banca Etica microfinance projects are for:

- **social inclusion** (in support of vulnerable people: 1.580 loans for 10 mln €, since 2001)
- **entrepreneurship** (to startup or consolidate micro-enterprises: 2.278 loans for 16,4 mln €)



**In Europe** Banca Etica is a member of:

- **Febea** – European Federation of Ethical and Alternative Banks (30 bln € loans\* )
- **EMN + MFC** (3 bln € loans\*)
- **COOPEST/COOPMED** – Impact Investment Funds – 48,9 MLN € in assets dedicated to microfinance in Eastern Europe and Mediterranean Area.

**In the world** Banca Etica is a member of:

- **Gabv** – Global Alliance for banking on values (110 bln € loans\*)
- **SIDI**
- **OIKOCREDIT**
- **ACAD & UCASC**
- **MICROFIDES**
- **CARITAS AFRICA**

In Europe, Latin America, Africa and Palestine **20 millions €** reaching more than **45.000 beneficiaries**.

Microfinance projects are carried out in collaboration with local social networks to ensure the protection of beneficiaries and build a strong relationship between the bank and the borrowers.

## BPE EXPERIENCE IN UE FINANCIAL INSTRUMENTS 1/3 - JEREMIE

<b>Funded by</b>	Regione Campania - Jeremie Holding Fund (JHF), from European Fund for Regional Development
<b>Objectives</b>	Promoting the development of micro and SMEs working in social fields, through a portfolio of financial resources characterized by favorable conditions.
<b>Target group</b>	Social enterprises: cooperatives, micro, small and medium enterprises
<b>Type of loan</b>	Managing of fund with favorable conditions: max € 250.000 (64% Jeremie, 0 interest rate + 36% Bank, cut rate).



Financed Enterprises	55
<i>of which startup</i>	10
Total Portfolio amount	6.270.000
<i>Sources by Jeremie (EFRD)</i>	4.013.000
Average entrepreneurship loan	114.000
Default (30.06.2017)	-
<i>Other informations (at the time of disboursign the loan)</i>	
Total of workers employed in funded enterprises	1.200
Total turnover of interprises financed	70.000.000

Financed Enterprises	82
<i>of which startup</i>	50
Total Portfolio amount	4.686.000
<i>Sources by Jeremie (ESF)</i>	2.718.000
Average entrepreneurship loan	57.000
Default (30.06.2017)	-
<i>Microenterprises financed</i>	24
<i>Microcredit Portfolio amount</i>	537.000
<i>Other informations (at the time of disboursign the loan)</i>	
Total of workers employed in funded enterprises	330
Total turnover of interprises financed	9.000.000



<b>Funded by</b>	Sicily Region - Jeremie Holding Fund (JHF), from European Social Fund
<b>Objectives</b>	Promoting the development of micro and SMEs working in social fields, through a portfolio of financial resources characterized by favorable conditions.
<b>Target group</b>	Social enterprises: cooperatives, micro, small and medium enterprises
<b>Type of loan</b>	Managing of fund with favorable conditions: max € 100.000 (58% Jeremie, 0 interest rate + 42% Bank, cut rate).

## BPE EXPERIENCE IN UE FINANCIAL INSTRUMENTS 2/3 - *EaSI*

Agreement Signed  
EaSI Guarantee Social Enterprises  
**3,2 Mln guarantee CAP**  
sources managed by EIF

Guarantee  
Portfolio amount  
**40 Mln**

Loans Portfolio amount  
to generate  
**50 Mln**

Social Enterprises  
financed  
**250 - 350**

The EaSI number at the end of September 2018:

Portfolio amount:	> 14.000.000 euros
Number of Enterprises:	72 (average amount 190.000 €)
Number of loans:	96
Average loan amount:	150.000 euros
Average maturity:	50 months

## BPE EXPERIENCE .... 3/3 – *Some suggestions about Guarantee*

- Flexibility for using and managing;
- Simple to use for credit operator and beneficiary (the inclusion process of enterprise and loan is all into the intermediary that manages the portfolio);
- Opportunity to create different and specific portfolio (vs different types of enterprises, or sectors, or types of loans);
- A large possibility about the sectors considered to include (i.e. agricultural or microfinance);
- A good practices to measure the impact of the portfolio and the guarantee instrument;
- Long time to prepare application, to negotiate the agreement ... also to create the conditions to begin origination of portfolio: specific products, procedures, documents (loan agreement), reporting system;
- Complications (for smaller intermediary) to administrate and to report.