

BANCA POPOLARE ETICA

**The highest interest
is everybody's interest**

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BANCA POPOLARE ETICA

BANCA POPOLARE ETICA

A DIFFERENT BANK

- **A cooperative bank** operating in **Italy** and in **Spain**
- **Owned by a movement** of citizens and social organizations
- Inspired by the **principles of Ethical Finance:**
 - transparency
 - participation
 - sobriety
 - efficiency
 - awareness of the non-economic consequences of economic actions



A DEMOCRATIC BANK

- Since it is a “Popular bank”, the principle “**one head, one vote**” rules in the General Assembly that elect the main corporate bodies
- Banca Etica is free from the influence of politics and economic-financial power groups: **the members** are citizens and organisations
- **87 groups of active members** in Italy and Spain guarantee:
 - the development of local relationships
 - the promotion of ethical finance's culture
 - contribute to determine the strategic orientations of the Bank



A BANK FOR A NEW ECONOMY

With the collected savings we **exclusively finance** people and organisations with sustainable projects in one of these areas:

- Social Cooperation
- Environment
- Culture and quality of life
- International cooperation

Transparency: it's the only bank in Italy to **publish online all the loans to organisations and enterprises**





IERI E OGGI

BANCA ETICA PAST AND PRESENT

THE BIRTH OF BANCA ETICA

- The idea of a bank inspired by the principles of Ethical Finance started at the end of the 1980's and was realized in the **“Cooperative Towards the Ethical Bank”** (1995) that collected 6.5 mln € from citizens and organizations
- In 1998 **the Central Bank of Italy authorizes** the bank to become operative
- On the **8th of March 1999**, the first **Banca Etica branch opened in Padua** (North of Italy)



BANCA ETICA TODAY

- Banca Etica works in Italy and Spain through **5 territorial areas**: North East, North West, Centre and South of Italy, and Spain.
- Every Area is managed by a **Forum** composed by a member of the Board of Directors, a sales manager, a cultural Manager and a representative of the active shareholders.
- 7/12/2016 – Recognition of Ethical Finance by the Italian Law (Art.12 Financial Stability Law 2017)



BANCA ETICA IN ITALY

Banca Etica is accessible for everyone through:

- 17 Branches
- 31 Itinerant Bankers
- Internet

The groups of active members (GIT) in Italy are 69



BANCA ETICA IN SPAIN

- In 2014 the **first Spanish branch of Banca Etica opened**, in Bilbao.
- This dream was realised thanks to a ten year process of the **Fiare Foundation** and the efforts of thousands of individuals and organizations
- In Spain **20 groups of active members** where created following the path of Fiare and **3 Territorial Initiative Groups** of Banca Etica members.





A DIFFERENT BANK

A DIFFERENT BANK

TRANSPARENCY

- It's the main condition for the responsible use of money
- We ask customers to sign a **declaration of sharing the principles** of the Statute and **of conformity of the origin of their money** to these principles
- We are the only bank in Italy to **publish on the website all the loans** granted to legal entities
- We deliver accounting reports on our activities according to the economic, social and environmental aspects in the **Integrated Report** and **Online Sustainability Report**, that allow direct interaction with our stakeholders
- We supervise the **compliance with regulations** on the subject of transparency in banking and finance



ETHICAL GUARANTEE

The **ethical guarantee** and the respect of the principles outlined in art.5 of the Statute are monitored through appropriate tools and supervisory bodies:

- the **Ethical committee**
- the **Ethical code**
- the **Supervisory body**
- the **Social Value certification**



MEMBERS' PARTICIPATION

Members are organised on a territorial basis in:

- **Local districts**
- **Territorial Initiatives Groups (GIT)**



THE TERRITORIAL INITIATIVE GROUPS

GITs are **groups of voluntary members** who act in their communities to:

- promote a **culture** of ethical finance
- participate in **governance** choices
- connect the Bank's activities to the needs of their **territory**
- create **relationships** with the social and solidarity economy
- support the economic investigation activities with the **social evaluation** of the loan applicants
- through the **Community of Action**, collaborate with branches and Itinerant bankers to reach the operational and cultural goals

PRODUCTS AND SERVICES

We offer a **complete banking experience**:

- **checking accounts**
- **account-related services**
- **savings and investments products**
- **ethical investment funds**
- **private loans**
- **loans for member organizations and social companies**

THE SAVER'S PARTICIPATION

With the aim of "bringing closer" the savers to the founded entities, in Banca Etica savers can:

- **indicate which financing sector** to orient their savings
- **check funded projects** on the bank's website
- **choose products connected** to some important partner organization, such as dedicated certificates of deposit, affinity credit cards or online accounts dedicated to Doctors Without Borders
- contribute to the **microcredit guarantee fund for projects in Italy** when undersigning ethical investment funds

CREDIT POLICY

WHO WE FINANCE

With the collected savings, we **mainly finance**:

- social cooperation
- international cooperation
- environment
- culture

We provide loans to **people** for their needs compatible with our values:

- first home purchase and restructuring
- production of energy from renewable sources and energy efficiency measures
- personal loan



SOCIAL COOPERATION

Social services, education and health; combating social exclusion and integration into employment of disadvantaged people, promotion of the rule of law.



The **Nuova Cucina Organizzata** restaurant (San Cipriano D'Aversa - Caserta)

ENVIRONMENT

Development of renewable energy sources, promotion of organic and bio-dynamic farming; environmentally sustainable projects.



*The photovoltaic system of the **Podere SS Annunziata** (Livorno) farm*

INTERNATIONAL COOPERATION

Support for Fair trade, the creation of micro-enterprises and the development of partnerships.



*A project in India of the **Fondazione Pangea Onlus** (Rome)*

CULTURE AND CIVIL SOCIETY

The promotion of a legality culture, of artistic and cultural heritages, support for non-profit associations and socio-cultural animation projects.



*The **Scuola Popolare di Musica di Testaccio** (Roma) music school*

THE EVALUATION OF LOANS

The economic investigation is paired with a social and environmental assessment of the loan applicant. This evaluation is based on parameters such as:

- democratic participation
- transparency
- gender equity
- respect for the environment and working conditions
- ties of territorial proximity

The evaluation is carried out by the **Social Evaluator**, an active member entered in a special register following a training course.

SPECIAL PROJECTS

PARTNERSHIPS

We work with some of the major institutions, associations, second and third level organisations, to:

- promote the development of ethical finance and civil economy
- favor the access to credit and to our products and services through specific agreements
- create guarantee funds for the development of enterprises, also through microcredit

We develop jointly-marked products with large organizations:

- online dedicated account with **Doctors Without Borders**
- Affinity credit card with **Amnesty International**
- Account-card in collaboration with **Arci**

WITH LOCAL AUTHORITIES

8 Regions, 43 Provinces e 284 Towns are Banca Etica members, through small equities that allow to start projects on:

- Microcredit
- Asset building
- Social Economy
- Housing rights and social housing
- Environmental protection
- Co-projects



Financial support to companies in bankruptcy

WORKERS-BUY-OUT

29 companies
12 mln loans approved
700 work places saved
(november 2016)



MICROFINANCE

Microfinance is one of the tools to practice ethical finance. It can be for:

- **social security** (in support of people)
- **entrepreneurship** (for the creation or consolidation of social enterprises)

Since 2001 we have approved **3.199 operations** for **20,6 millions of €**

- social security 1.258 loans for 7 millions of €
- entrepreneurship 1.941 loans for 13,6 millions of €

The activities of microfinance are carried out in collaboration with local social networks to ensure a real relationship between the bank and the borrowers.

NEW ECONOMY LAB

Doing ethical finance also means knowing **how to interpret** the changes in the economy and to **listen** to the needs and innovations of those who experiment new sustainable models of development and enterprise.

Since 2012 we promote the **New Economy Lab** to meet **enterprises**, the **academic world**, **Third Sector organisations** and connect between the profit and non profit initiatives which are able to combine economy, finance, community, relationships, legality, mutuality and ethics.



ENERGY PROJECT

The energy issue and the reduction of CO2 in the atmosphere are among the priorities for Banca Etica.

The approach to the energy issue revolves around 3 key concepts:

- **reduction** of consumption
- **protection** of the environment
- **production** of social value

The result of our research activities are "**energetic**" financing products for individuals, families, organizations and businesses.



BANCA ETICA'S NETWORK

FCRE

Fondazione Culturale Responsabilità Etica (Cultural Foundation for Ethical Responsibility) works at the national and international level with **promotion**, **research**, **experimentation** and **training** activities pertaining to the relationship between ethics, economics and finance.

Main projects

- Non con i miei soldi (Not with my money) campaign
- Novo Modo, event in Florence dedicated to sustainable change, born from the experience of the conference-fair Terra Futura
- Zoes.it, online social network on sustainable life-styles
- Active Shareholder initiatives
- Finance and Legality Observatory



ETICA SGR

Etica Sgr is the **asset management company** of Banca Popolare Etica Group. It's the only one in Italy that places only **ethical investment funds**, which invest exclusively in securities of States and companies characterized by a high profile of social and environmental responsibility.

Moreover, Etica SGR:

- has established the **Fund for microcredit projects in Italy**, whose subscribers can donate 1 euro for every 1,000 they invested
- conducts **active shareholder activities** to raise awareness on social and environmental issues in the companies in which it invests
- offers **consultancy** for institutional investors



INTERNATIONAL ALLIANCES

FEBEA

It is the European Federation of Ethical and Alternative Banks, a non-profit organization under Belgian law founded in 2001 by Banca Etica with Crédit Coopératif and Caisse Solidaire du Nord Pas-de-Calais (France), Crédal and Hefboom (Belgium) and TISE (Poland) for the development of ethical and solidarity-based finance in Europe.

Today it includes **banks, financial cooperatives, investment companies** and **foundations** which cooperate for the exchange of good practices and the realisation of financial tools.



GABV and EMN

The Global Alliance for Banking on Values is an independent network of banking institutions from around the world. Their collective goal is to change the banking system so that it is more transparent, supports economic, social and environmental sustainability.

It was founded in 2009 and today comprises **36 financial institutions** and four strategic partners operating in countries across Asia, Africa, Australia, Latin America, North America and Europe.

The member banks share **research, training and lobbying activities**.

BE is a EMN partner (EMN network includes 85 MFI's members).

BE will organize the annual EMN conference in Venice (july 2017), with the participation of EIB, EIF, DG Emploi, Italian Government, Italian Foreign Affairs Ministry, Cassa Depositi e Prestiti.

BANCA ETICA'S SOCIAL IMPACT

THE RESEARCH ON SOCIAL IMPACT

In 2014, for the **15 years** since the birth of Banca Etica, we commissioned to **ALTIS – postgraduate school for Business and Society** of the Catholic University in Milan a research to determine the **social impact of our funding** Civil and Solidarity economy.

L'IMPATTO SOCIALE
di **BANCA ETICA**

15 anni di finanza al servizio del bene comune

IN 15 YEARS



1.800.000.000 €
OF LOANS



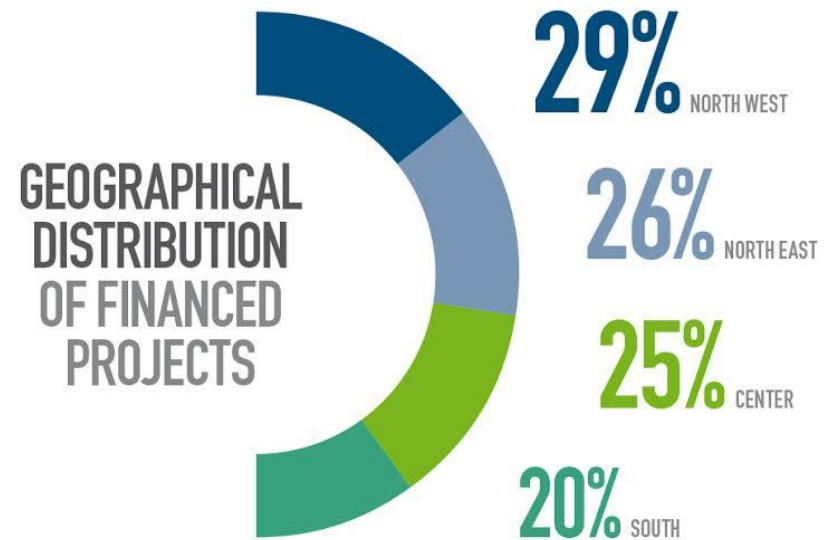
23.500
TOTAL FINANCING ACTIVITIES



IN ALL THE

20 ITALIAN REGIONS

OUR FUNDINGS



THE RELATIONSHIP WITH CUSTOMERS

→ 96% of beneficiaries considers the **amount of funding** obtained from the value of the project **positive**

→ 84% of the beneficiaries claims to have “**established a transparent and positive relationship**” with their bank

→ For 82% of the beneficiaries, the funding obtained has been a “**necessary condition**” to run their activity

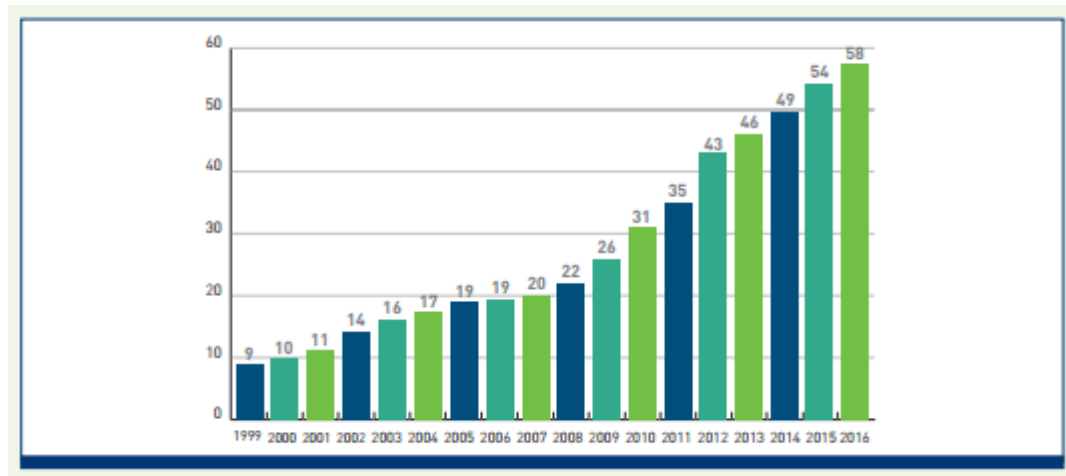
FIGURES

BANCA ETICA IN NUMBERS

SHARE CAPITAL	€ 59.379.862
TOTAL CAPITAL	€ 85.424.000
CET.1	12,47%
TOTAL CAPITAL RATIO	14,12%
DEFAULT RATIO	3,04% (average Italian Banking System 10,6% - ABI)
NET DEFAULT RATIO	1% (average Italian Banking System 4,6% - ABI)
NUMBER OF MEMBERS	39,899
SAVINGS COLLECTION	€ 1.216.355.000
LOANS APPROVED	€ 972.713.000
NUMBER OF LOANS	8.905
NUMBER OF WORKERS	285

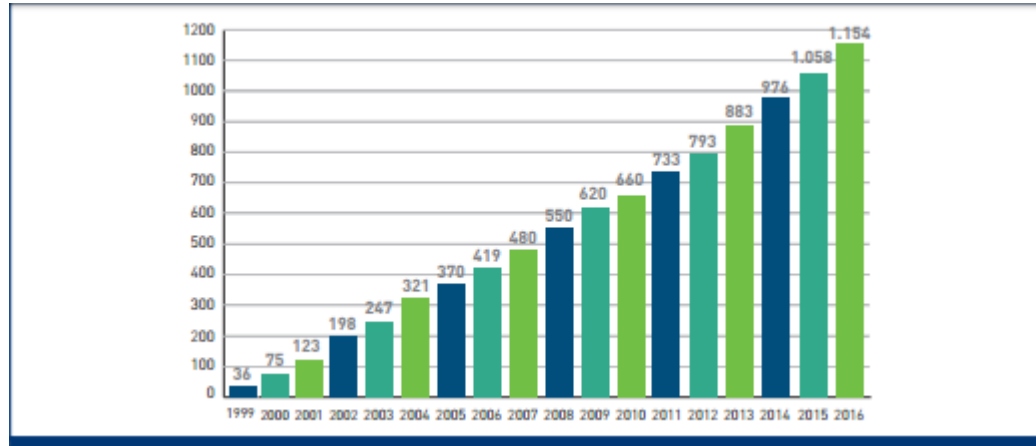
Updated on 31/12/2016

Share Capital



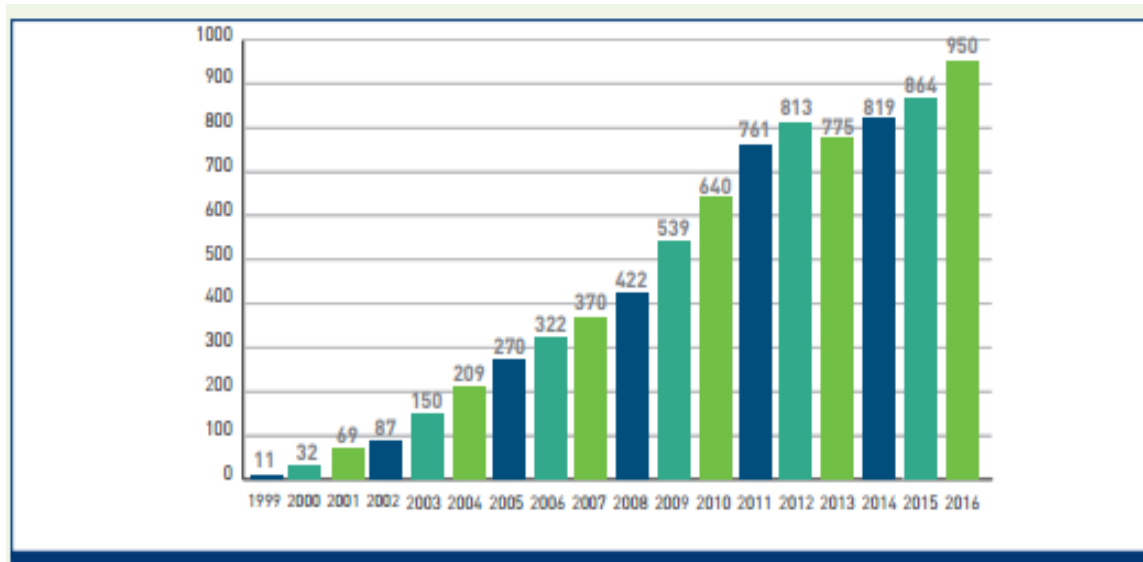
Figures at 30.11.2016

Savings



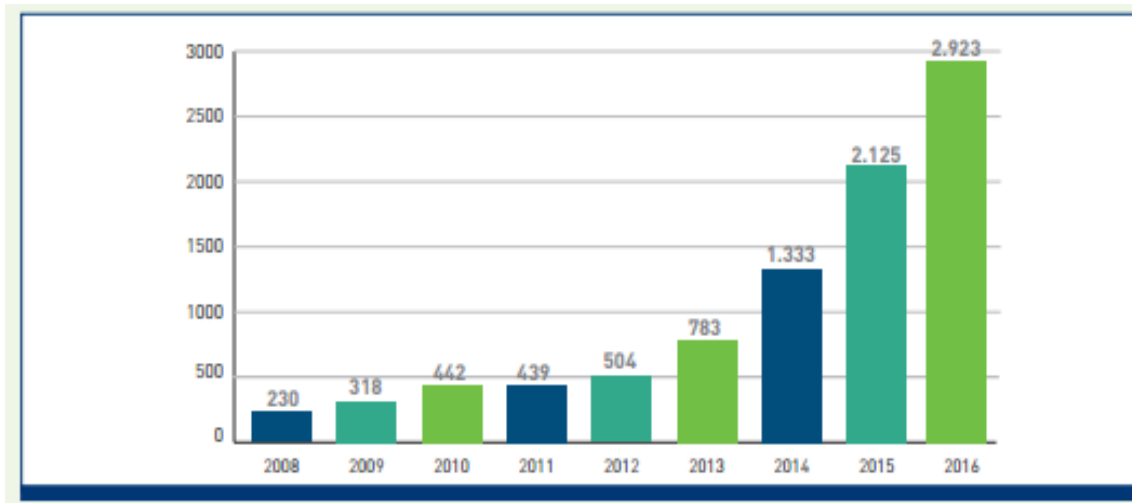
Figures at 30.11.2016

Loans



Figures at 30.11.2016

Assets managed by ETICA SGR



Figures at 31.12.2016



**THANKS FOR YOUR
ATTENTION**

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