



Innovative financing instruments – experiences from the ground, ideas for the future

Adriano Pallaro, Responsible for international funding and member of the General Management of Banca Etica



Who we are



- Banca Etica is a cooperative bank operating in Italy since 1999 and Spain since 2014, owned by citizens and social organizations and inspired by the principles of ethical finance: transparency, participation, efficiency, awareness of the non-economic consequences of economic actions
- Banca Etica is independent from politics and economic-financial groups: the owners are **41.000 citizens, social organizations and public administration; 87 groups of active members** in Italy and Spain guarantee local relationships on territories and contribute to the strategic orientations of the bank.
- The principle “one head, one vote” rules in the General Assembly that elects the main corporate bodies.
- With the collected savings Banca Etica provides loans exclusively to people and organizations with sustainable projects in the areas of social cooperation; social innovation; inclusion; environment; culture and quality of life; international cooperation; microfinance.
- Banca Etica is the only bank in Italy to publish online all the loans to organizations and enterprises.



What we do



In our credit-policy 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 ESG evaluation is carried out by the **Social Evaluator**, a volunteer member registered in a list of trained people.



FIGURES

(31.12.2017)



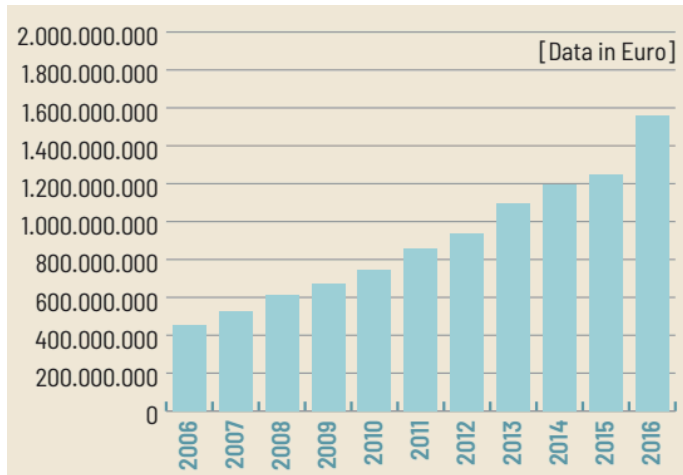
SHARE CAPITAL	€ 65.000.000
OWN FUNDS	€ 94.700.000
CET.1	12,00%
TOTAL CAPITAL RATIO	13,09%
DEFAULT RATIO	3,89% (average banking system 5,02% - ABI)
NET DEFAULT RATIO	0,88% (average banking system 3,7% - ABI)
NUMBER OF MEMBERS	> 41.000
SAVING COLLECTION	€ 1.382.000.00
LOANS APPROVED	€ 822.000.000
NUMBER OF WORKERS	290



 #ficompass



BANCA ETICA: Growth Between 2006 and 2016



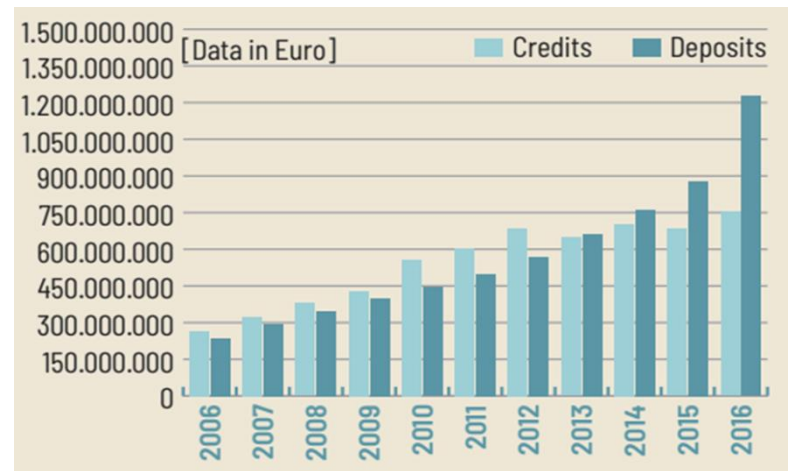
The total assets of Banca Etica have constantly grown from 2006 to 2016 and didn't stop growing during the most difficult years of the latest financial crisis (2008 and 2009).

In absolute terms, total assets have grown by 244% over the last ten years.

And ... during 2017 the growth continued (total assets = 1,600,000,000)

Growth in deposits has also been steady. In absolute terms, Banca Etica's deposits grew by 418% from 2006 to 2016 (Depos.2017 = 1,382,000,000)

Loans granted (whose growth has been less regular to that deposits in last four years) rose by 184% over the same period. (Loans 2017 = 822,000,000)



BANCA ETICA and the Future



- More impact!!! → from social/enviromental evaluation to impact evaluation...
- To consolidate the collaboration with EIB group, DG Empl and other Institutional actors
- More support to new target: workers buy out, micro enterprises, enteprises of «new economy», legality, social agriculture, with finance and non financial services
- More visibility for etichal and sustainable finance ... a very significant network ... and for microfinance network!!





financial instruments
 revolving capacity building
 added value **ERDF** funding agreement
 governance **ESF** EU guidance
 technical support seminars leverage financial intermediaries ex-ante assessment
 co-financing **ESIF** microfinance case studies
 investments **fi-compass** final recipients
 business plan **Thank you** thematic objectives
 advisory services guarantees banks loans **EaSI** equity
 private investors life cycle combination of support
EAFRD conferences factsheets
 fund of funds **EMFF** investment strategy **CF**
 managing authorities manuals