



MFC-EMN
ANNUAL CONFERENCE
Bilbao, 3rd - 5th October 2018



PEOPLE AND THE DIGITAL REVOLUTION:
Advancing our social mission through technology

Workshop 8: MFIs and Banks: more than competitors

#microfinanceAC2018

Facilitator:

Pedro Manuel Sasia – President, FEBEA

Speakers:

- **Peter Surek** – Head of Social Banking Development, Erste Group
- **Gabriele Giuglietti** – Head of International Relations, Banca Popolare Etica
- **Oscar Muguerza** – Head of Business Banking, Laboral Kutxa-Fundación Gaztenpresa

Erste Group

16.5mn clients

47,600 employees

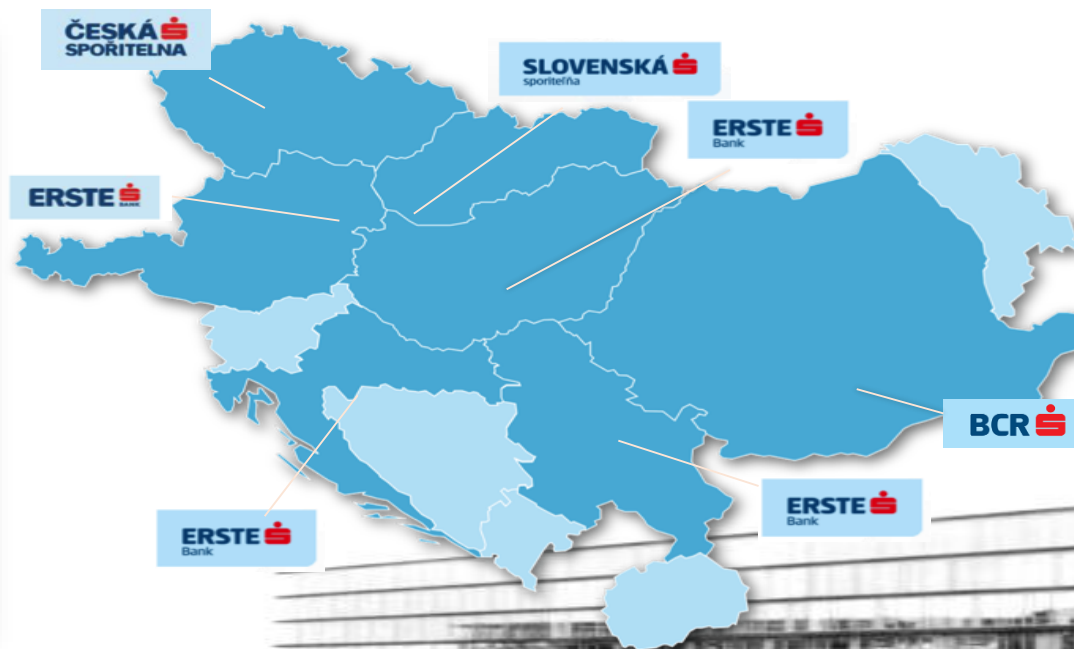
2,524 branches

EUR 774mn net profit H1 2018

EUR 230bn total assets (L/A 63%)

EUR 17.7bn total equity

12.6% core tier 1 ratio (Basel 3; phased-in)



country	position	clients
austria	No 1	3,6m
croatia	No 3	1.2m
czechia	No1	4.7m
hungary	No3	0.9m
romania	No2	3.3m
serbia	No10	0.5m
slovakia	No1	2.2m

Our region

People at risk of poverty or social exclusion in our core markets

15 million / 28% of all population



Croatia
22%
Cannot afford to keep home adequately warm



Hungary
41%
Living in dwellings with leaking roof, damp walls, floors or foundation



Romania
59%
Having neither bath nor shower in the dwelling



Czech republic
67%
Cannot cover unexpected expenses



Serbia
53%
Being in arrears on mortgage or rent, utility bills or hire purchase



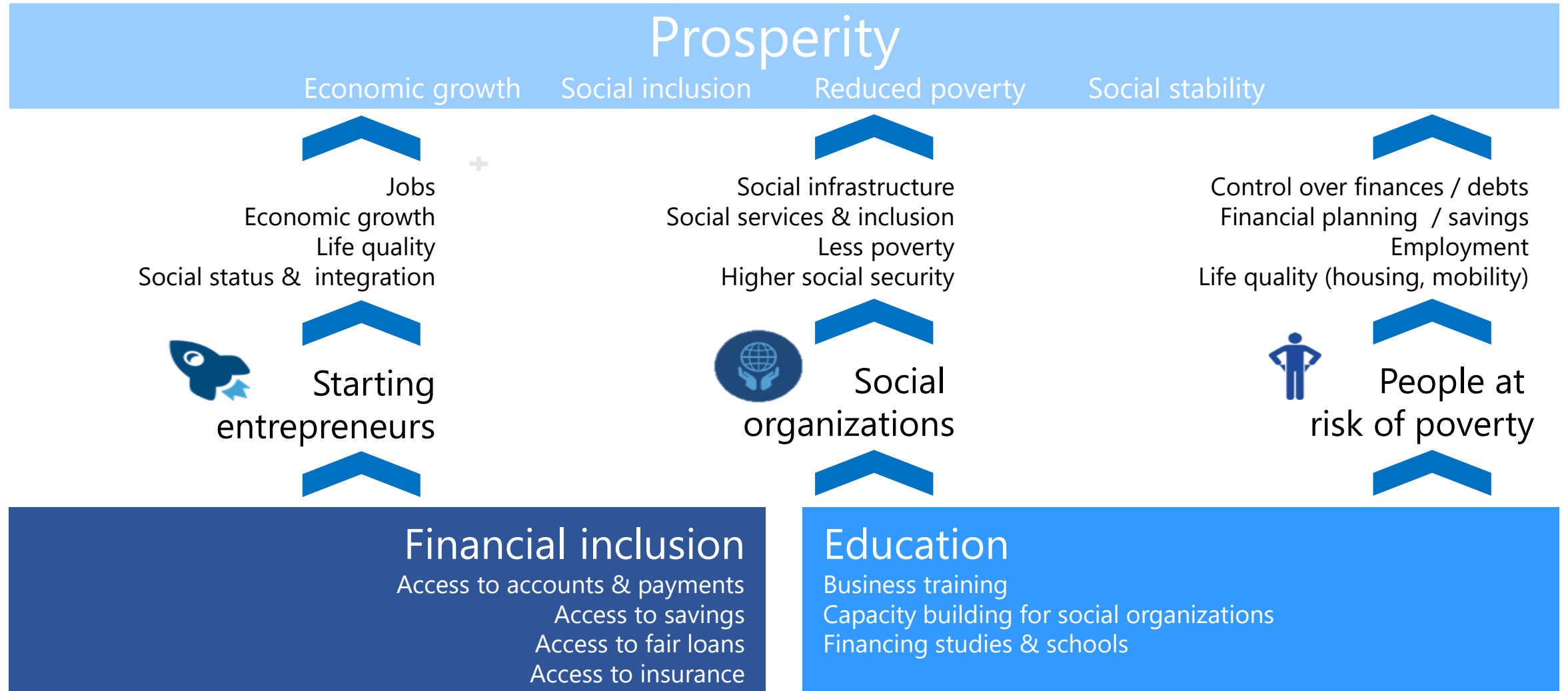
Slovakia
21%
Cannot afford a computer



Austria
27%
Cannot afford personal car

Eurostat: People at risk of poverty or social exclusion by age and sex [ilc_peps01] and People at risk of poverty or social exclusion by most frequent activity status (population aged 18 and over) [ilc_peps02] for population 18+, 2016

Our Social Banking Approach



Our Engagement in Microfinance

Retail
network



Start-up
program



Own
MFI



Funding
other MFIs



microloans

in retail branch network 2017



30.000

new microloans

€ 500M

new loans volume

€1,4Bn

microloans outstanding

programs for starting entrepreneurs



2.500+

clients

€ 60M

start-up loans

4,700+

jobs created

own MFI in Romania



good.bee
Credit



10.000

microcredits

€ 70M

microcredits

70

employees

funding MFIs in BiH



10

MFIs

€ 5M

loan volume

3.300

microcredits disbursed



Banca Etica & MFIs: an alliance for financial inclusion

Gabriele Giuglietti_International and institutional relations



OUR IDEA OF FINANCE

Banca Etica is a pioneer in promoting a **social-oriented** and **impact-driven** finance at national, european and international levels: we support the idea of a finance run **by** and **for** people.

Microfinance is a powerful and effective tool for giving a tangible shape to our idea and mission.





OUR PARTNERS: NO MAN IS AN ISLAND

We strongly believe in the power of **sharing, cooperation** and **collaboration** also at international level: our **strategic alliances** help us in building our idea of finance.

We believe that the **networks** we belong to and that we help to create have a fundamental value for the **dissemination of Microfinance and alternative finance**, not only in Europe and in the Mediterranean Area, but also in Latin America and in the Sub-Saharan Africa.



MICROFINANCE

Banca Etica microfinance projects are for:

- **social security** (supporting vulnerable people)
- **entrepreneurship** (creation or consolidation of social enterprises)

Since 2001 we financed, in Italy, **3.858 operations for 26,4 millions €**

- social security 1.580 loans for 10 mln €
- entrepreneurship 2.278 loans for 16,4 mln €

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.



Who and where are our MF partners



Through partnership with strategic players of global microfinance, Banca Etica reaches around 45,000 beneficiaries worldwide





Best Practices: Europe, Africa & Palestine



Supporting financial inclusion in Europe

Since 2001, Banca Etica is committed to facilitate access to credit to unbanked people or organizations. Our MF activity in Italy and Spain supports:

- **social inclusion** for vulnerable people: 1.580 loans with a total amount of 10 mln €);
- **entrepreneurship** to start-ups or MSMEs: 2.278 loans for 16,4 mln €





Our commitment in Europe (i)

As member of **EMN** and **MFC** we promote and support MF activity at EU level by encouraging exchange of best practices and knowledge as well as improving the regulatory framework for MFIs and social banks.

- ❖ strategic agreement with EMN - COOPEST signed last 23rd June 2017 in Venice;
- ❖ strategic agreement with MFC signed last 8th November 2017 at the EP for enhancing MFIs in Eastern Europe





Our commitment in Europe (ii)

We are in the Board of **COOPEST** and **COOPMED** , two Impact Investment Funds entirely dedicated to microfinance in Eastern Europe and Mediterranean Area.

- ❖ with reference to the previous strategic agreement with EMN - COOPEST, the agreement focuses on developing and fostering MF activities in Eastern Europe, including financial resources and non-financial support.



Banca Etica and Palestine, a solid partnership

We have a strong activity in Palestine with institutional actors as well as financial providers:

- in 2007, we supported ACS (italian ngo) on a project dedicated to Microfinance; relationship with Parc and Reef (members);
- in 2015, Banca Etica & Microfinanza srl carried out an assessment of credit and saving cooperative sector in Palestine, defining a sustainable disbursement mechanism for 3M € capitalization fund.
- 2015, Overseas & UCASC starting three income generating projects supported by this fund:

Grape	Molasses,	Hebron	cooperative
Thyme	plantation	Tulkarem	cooperative
Soap Production Nablus cooperative			
- Banca Etica in 2016 as a consultant of the Foreign Affairs Ministry facilitated the process for ACADF finance to obtain a soft loan from Italian cooperation in amount of 1 mln € through the Palestinian Employment fund which belongs to The Palestinian Ministry of Labour (other 4 mln euros disbursed to three MFI).



Banca Etica and Africa, a long partnership

We have a long tradition of activity in Africa through our networks, strategic partners and foundative shareholders.

Today we operate in Africa with and through:

- Coop Med (MENA countries)
- Fefisol (all rural Africa)
- Oikocredit (Kenya, Rwanda, Uganda, Malawi, Zambia, Benin, Burkina Faso, Ghana, Cote d'Ivoire, Mali, Niger, Nigeria Senegal, Morocco, Tunisia)
- Microfinanza srl (MENA countries + Sub Saharan countries)
- Microfinanza Rating (MENA countries + Sub Saharan countries)
- FairTrade Italia (Morocco, Tunisia, Senegal, Mali, Uganda, Kenya, Ethiopia, Ghana)
- SIDI (Mena countries + Sub Saharan countries)
- CARITAS Africa (all Africa)
- Oxfam Italia (MENA countries)



Banca Etica in Palestine and Africa, doing what?

We support:

- social-oriented MFIs or BoP financial institutions;
- small farmers, producers and MSMEs;
- government with specific projects in MF and financial inclusion, entrepreneurship

We promote:

- social entrepreneurship;
- transparency, consumer protection and social rating activity at level of MFIs/FIs



FOCUS ON AFRICA

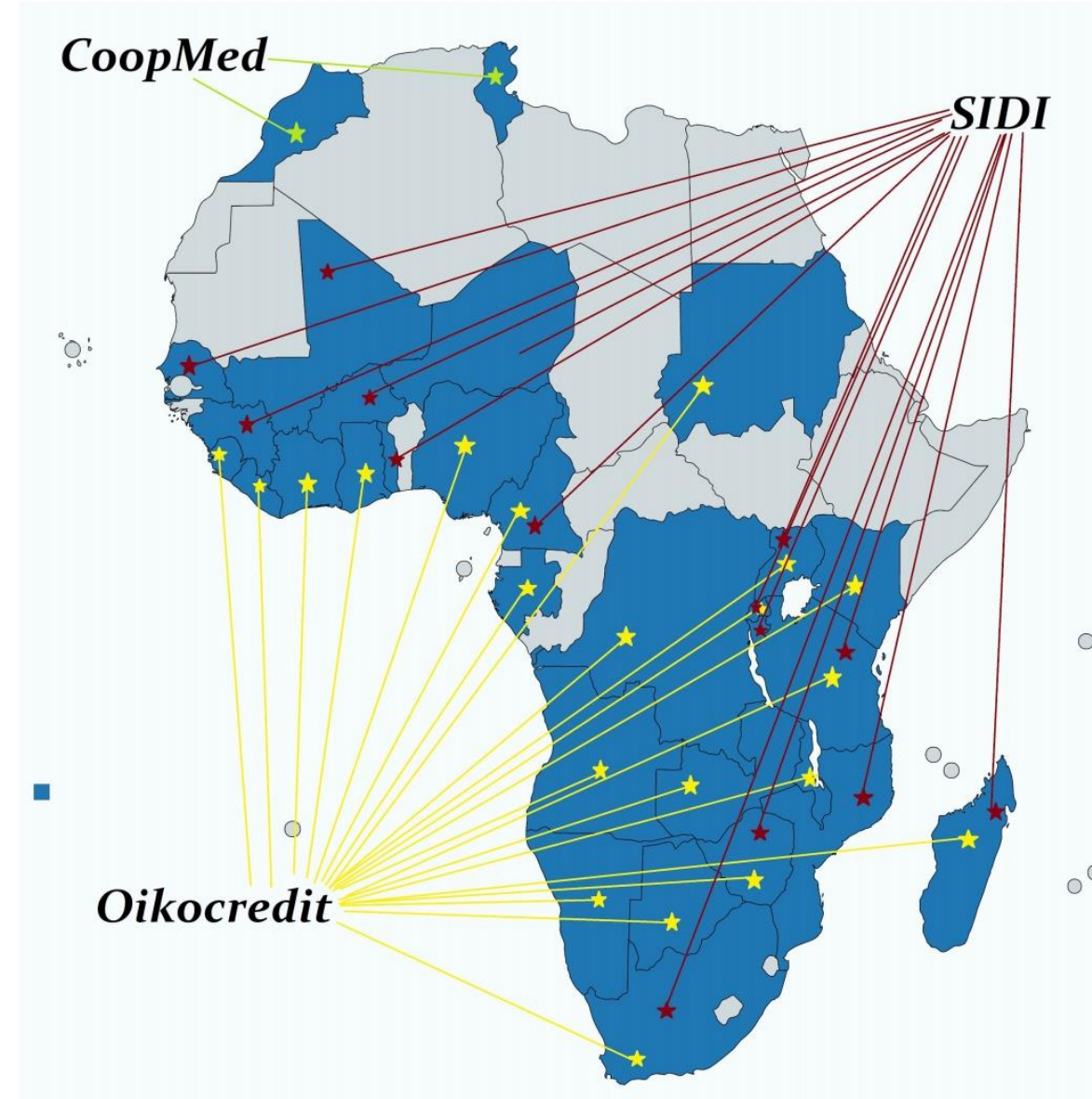
April 2018 - first issue of a 7 years

MICROCREDIT AFRICA IMPACT BOND

15MLN€

entirely placed in 5 working days

Capital raised will go to MF partners (CoopMed, Sidi, Oikocredit, Fefisol, etc.) already active in African countries. Both debt and equity forms of intervention will address households and microbusinesses.



thanks!



www.bancaetica.it

[@bancaetica](#)

www.facebook.com/bancaetica

www.youtube.com/bancapopolareetica

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Laboral Kutxa and Gaztenpresa ecosystem

Oscar Muguerza
Head of business banking at Laboral Kutxa

@Oscar_Muguerza
@LABORALkutxa
@gaztenpresa

GAZTENPRESA

FOUNDING ORGANISATION



JOINT-FINANCING ORGANISATIONS



PARTNERSHIPS



COLLABORATING ORGANISATIONS



PROFESSIONAL NETWORKS



IMPACT

Evolution of companies
and jobs created until 2017

4,910

COMPANIES STARTED UP

8,754

JOBS CREATED

DATA IN 2017:

402

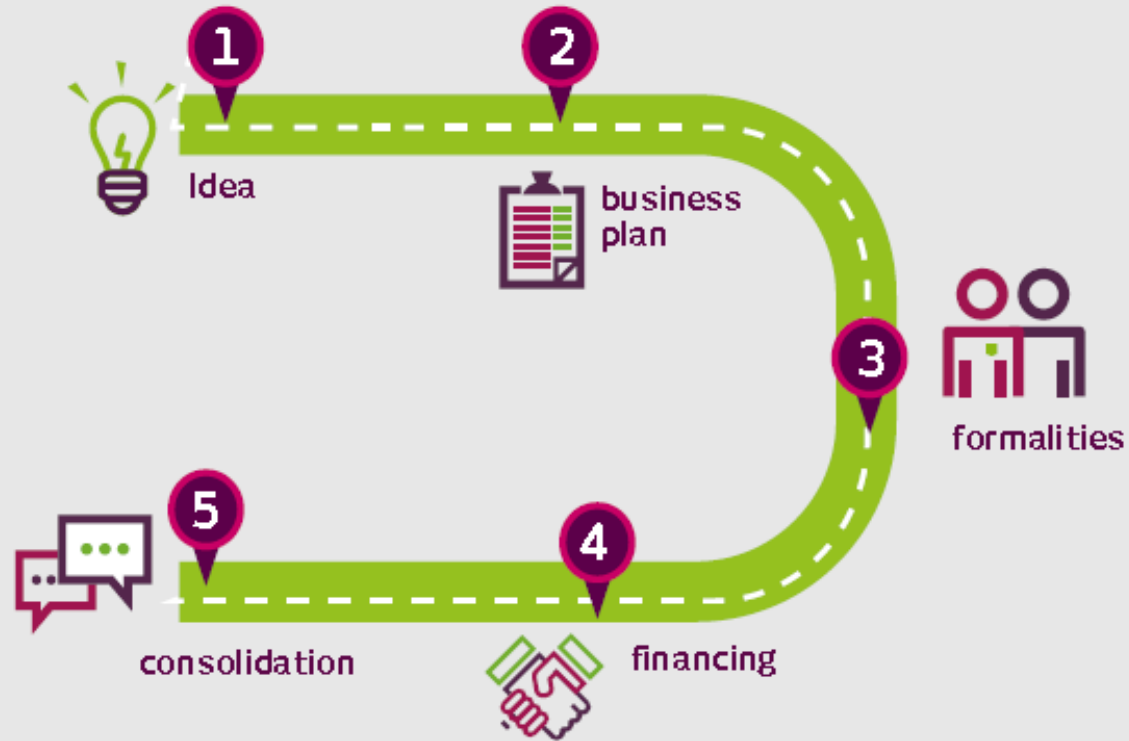
BUSINESSES
CREATED

703

JOBS
CREATED

The secret is the homemade sauce

TAKE THE PLUNGE AS AN ENTREPRENEUR:



77%

310 LOANS

SIGNED UP FOR SOME
FORM OF FINANCING

FINANCING IN 2017

€ 8,500,000

FINANCING UNTIL 2017

€ 138 million

€56,111

AVERAGE INVESTMENT

The average amount invested in starting up
new companies.

€27,300

AVERAGE LOAN AMOUNT

The average loan amount required to implement a
business project.

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Eskerrik asko
Gracias
Thank you



www.gaztenpresa.org

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Use the Conference #Hashtag: #microfinanceAC2018



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SILVER SPONSORS

