

EUROPEAN LABORATORY ON FINANCIAL INCLUSION

Offer-side survey:

Italian banking industry practices on financial inclusion

ABI coordinates the activities carried out by the “Laboratory on Financial Inclusion”, launched under the umbrella of the “European Alliance for Corporate Social Responsibility”. The European Alliance for Corporate Social Responsibility is firmly backed by the European Commission.

The Laboratory provides a platform where active stakeholders can discuss the topic [of financial inclusion], by promoting the practices and initiatives already undertaken and/or that will be undertaken to boost financial inclusion. The goals include placing these practices within a wider framework and applying them repeatedly.

Financial inclusion includes innovative methods, products/services and practices that, in line with economic principles, favor financial inclusion of low-income individuals and/or those experiencing poverty and social exclusion, such as:

- micro- enterprises and one-man businesses (for example, at the start-up stage, when expanding their business in disadvantaged areas of the country, etc.);
- temporary workers (for example, to buy a home, for specific professional or educational activities);
- families/individuals without security and with inadequate income;
- immigrants, in the various categories mentioned above (loans to start-up a business, low-income, temporary workers)
- non-profit sector (associations, non-profit entities, non governmental organizations, cooperatives, social enterprises, etc).

In this context, ABI investigated the status of financial inclusion activities carried out by banks to contribute to discussions and offer ideas borrowed from other fields in Europe.

Below is a summary of the ABI’s survey. Detailed information about each activity is contained in the [attached forms](#).

The survey was conducted in March-April 2008. ABI invited all groups and registered commercial banks on December 31, 2007 to fill-in a form (see annex) with information about their activities. In line with the findings of the surveys already conducted by ABI on this topic ¹, the form includes the following areas to be analyzed:

- microfinance services (savings, credit, current accounts and payment services);
- commercial practices in the community;
- dedicated structures;
- financial education projects;
- partnership programs with entities other than banks;

The form was designed by the interbanking working group on CSR², external partners, such as Sodalitas - a network partner organization of CSREurope – and, at a later stage, a bank that specifically contributed by trying the form before sending it to other organizations.

13 banks responded to the questionnaire:

At group level, 7 groups	At individual bank level, 6 banks
Banca Carige	Banca della Campania
Banca IntesaSanpaolo	Banca del Piemonte
Banca Monte dei Paschi di Siena	Banca Popolare dell'Emilia Romagna
Banca Popolare di Milano	Cariparma
Banca Popolare Pugliese	Cassa di Risparmio di Volterra
Banco Popolare	Mediolanum
UniCredito	

Such sample represents 63.% of the banking system in terms of total assets.

ABI also decided to highlight the activities carried out by cooperative banks, because of their peculiar features, and let the Italian Federation of Cooperative Credit Banks and Rural Banks organize the collection of data about their practices.

¹ “Banche e microfinanza”, ABI, Fondazione Giordano Dell’Amore, Bancaria Editrice 2006; “La bancarizzazione dei nuovi italiani”, ABI, Cespi, Bancaria Editrice 2006

² Italian banks are very active in the field of corporate social responsibility. Since 2002, an interbank working group has been operational at ABI to promote dialogue and discussions on corporate social responsibility. The working group consists of 34 members, and specifically 17 banking groups and 13 banks, which represents 79% of the banking system in terms of counters, corresponding to 81.4% in terms of total assets (*information available as of 31.12.2007*). In addition, two trade associations and a savings management company as well as a payment management company participate in the working group.

TARGET

The target of the survey was the same of previous research studies conducted by ABI on financial inclusion, i.e., young people, temporary workers, university students, small enterprises, especially those owned by young people, women and immigrants, as well as one-man businesses in depressed regions such as consortiums of municipalities in mountain areas.

The survey shows that, in addition to elderly people and victims of usury and racketeering, financial inclusion activities are also aimed at the disabled. ABI already investigated the difficulties associated with physical access – not related to a specific financial services offer – of the disabled, finding that 70% of the banking system carries out activities to improve accessibility of financial services for disabled people by developing projects in the branch (branch layout, directions/signs, front office furniture), ATM and website. More specifically, ABI developed guidelines on accessibility of online home banking services in 2003³.

The survey also highlights that individuals, such as the homeless and the poor, who do not directly benefit from commercial offers by banks, can be considered as indirectly affected by financial inclusion initiatives as they benefit from the services provided by non-profit associations and entities, non governmental organizations, cooperatives, social enterprises etc., which are themselves directly affected by financial inclusion initiatives.

The bank therefore contributes to social integration and the development of additional welfare as it responds to temporary and unexpected needs of targeted people and stimulates the development of sectors that are considered or recognized as drivers of cohesion and equality. For example, it does so by providing access to credit for social enterprises and cooperatives, which offer their services to disadvantaged segments of the population.

A special mention shall be made to the target composed of micro-enterprises and immigrants.

Years of experimenting with ways of supporting micro-enterprises⁴ convinced banks to define a model for partnerships with different entities, such as banking foundations, non-profit entities and banks that,

³ http://www.abi.it/library/elencoDocumenti/mainFrameAperturaDocumento.jhtml?TTITOLO=Accessibilit%C3%A0%20dei%20servizi%20&URLDOC=/doc/home/prodottiServizi/tecnologie/doc/tmp1073990139975_17Linee_Guida.pdf&DATA=13/1/2004%20

⁴ We refer here to micro-enterprises surveyed, which used microfinance services.

on the basis of their own specific characteristics, are able to address the issues associated with micro-credit activities.

Non-profit entities play a crucial role in collecting data necessary to assess a case. They also make a preliminary and informal screening of individuals or entities seeking financial support. Banking foundations and local administrations, through the management of guarantee funds, perform their role by intervening with concrete actions. Banks provide services, collecting at the same time information on individuals/entities, useful to their action in the reference community. Projects that have been launched to date prove that interaction among parties with very different characteristics and *missions* is a sign of “value” that the exchange of ideas and influence can generate.

Supporting start-up micro-enterprises with proper technical consulting services is also very important. Consulting services are generally offered in partnership with local chambers of commerce, trade associations and local authorities. In this field, the Tuscany⁵ regional administration launched the SMOAT Project, which includes local players such as banks, ABI regional committees and enterprises.

Immigrants are included in targeted groups (immigrant business men; low income immigrant families, etc.) and are offered services, from credit to savings, current accounts and payment services. In Italy, immigrants amounted to 5.6% of the population at the end of 2007. From 2003 to 2006 the number of resident foreigners increased by 72%⁶. Immigration is therefore a significant structural, long-term phenomenon in our country with clear growth *trend*, especially in the light of Italian structural demographic and economic dynamics. Most foreigners living in Italy come from Ecuador, Romania, Morocco and Albania. Information material prepared by banks for this segment of the population is translated into the respective languages of the above-mentioned countries, in addition to any other possible translations necessary to communicate with immigrants of other nationalities who live within the area of the bank's operation.

Preparation and diffusion of illustrative/information material in languages other than Italian shows that Italian banks are proactive. Their proactive behavior allowed banks' presence and penetration/diffusion to grow by 12% in two years (the percentage of current accounts with respect to the total non-OECD adult nationals went from 60% in 2005, to 67% in 2007; the absolute number of current accounts in the name of immigrants increased by 33.3%).

For example, according to ABI's estimate, immigrants have taken 10% of the almost 3 million and a half residential loans -- a remarkable figure, representing about 350,000 loan agreements. This figure also shows the shift towards a strong presence of banks [in Italy] and the positive correlation between

⁵ <http://www.fabricaethica.it>

⁶ Istat data, 2008.

some indicators of social stabilization on the one hand and a greater use of banking instruments associated with a request for more advanced instruments, on the other hand.

Immigrants arrive in Italy, find a job, earn money and buy products and services. Some of them remain in Italy and buy their home. After establishing basic relations with a bank - for example, a current account, services to transfer money, the purchase of pre-paid or rechargeable cards - immigrants graduate to residential loans and credit.

Many immigrants residing in Italy not only buy a home, but also start up a business. In fact, in addition to data associated with bankarization as well as with the number of mortgages granted, data also refer to the proliferation of small enterprises autonomously started up by immigrants, at different levels, in the Italian market place.

In fact, recent Unioncamere data show that immigrants not only take out loans to buy a home, but also seek financial support to start up a business. In the last five years, one-man businesses owned and managed by immigrants went from about 100,000 to 227,524, which signifies a growth rate higher than 10% each year. This figure is remarkable, especially if compared with growth rate of enterprises at the national level, which amounted to 1.21% in 2006, even less than the 2005 data of 1.61%⁷.

Immigrant-owned or managed enterprises experience low “mortality rates”. Their contribution to greater integration of immigrants into Italian society as well as into the productive segment of the Italian economic system can be viewed positively as factors of social cohesion and growth opportunities for Italy. As for immigrants' relations with the banking system, foreign entrepreneurs who established relations with banks amount to about 70%, of which 6% established relations with many banks, while 64% with only one bank⁸.

Emancipation of immigrants in host countries may result in increased wealth in the countries of origin. In fact, greater financial inclusion, in addition to contributing to social integration of immigrants, can also help the economic development of countries of origin, often poor countries, as money transferred via the banking system can be channeled towards productive activities in the countries of origin, by means of savings scheme contracts specifically designed for such purpose, already offered by some banks.

The survey shows that there is an “internal target”, consisting of individuals with different expertise, who contribute to innovating financial inclusion procedures and products. In fact, working groups consisting of people with different expertise within banks often draft projects aimed at analyzing

⁷ Unioncamere Data, 2007.

⁸ Unioncamere - Infocamere, Movimprese Data

customer needs, competitor solutions, the creation of new products, the formulation of objectives, the promotion of initiative and control over expected outcomes.

REASONS FOR DEVELOPMENT

Typical banking activity is a systematic and intentional facilitator of achieving people's dreams.⁹ Due to this, it directly impacts, with respect to different aspects, on stakeholders, who represent the reference community of the bank. The emergence of a reference community, on social and economic levels, can be seen as the result of the projects of individuals, families, enterprises, and various institutions, which the bank boosts by means of its financial support.

If we move the bank away from the central position among its stakeholders on the map and put the target of financial inclusion activities in the center of the map among the respective stakeholders, we see that the bank is an important stakeholder even with respect to picture 2 and picture 3 below, where the broken line indicates that it is necessary to establish or consolidate relationships to ensure that individuals can benefit from useful elements to fully develop their potential.

Fig.1

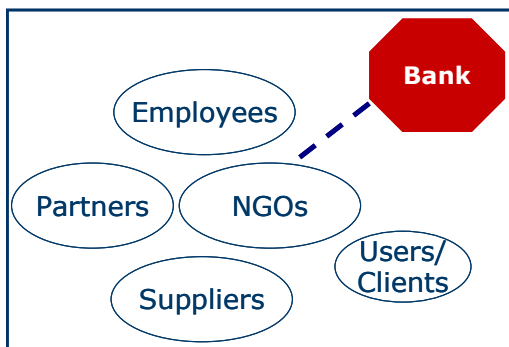
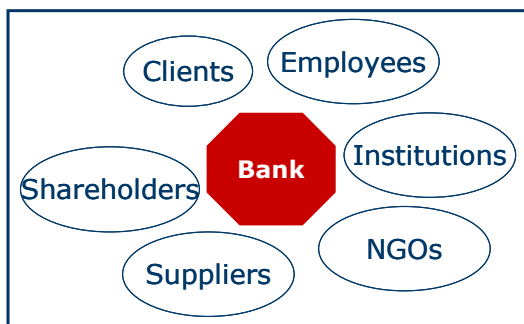


Fig.2



Fig.3

Ensuring stability of the reference community means for a bank to act in line with economic principles.

The survey shows in fact that the development of financial inclusion initiatives is based on economic reasons, such as:

⁹ The bank has historically carried out activities to support commerce and production, which have had a strong impact on society. The Monti di Pietà is an example of an institution established to save victims of usury.

- the economic potential of a sustainable business over the time
- the possibility to increase the number of clients (“the number of foreign clients continuously grows at a rate higher than expected”)
- the possibility to consolidate the relation with the community: presence of the reference target in the area of the bank’s operations.
- more efficient and reliable commercial strategies to positively impact the bank’s brand and reputation.
- effective communication: in some cases coordination with the contemporaneous restyling of the brand helps send a stronger message that the bank is ready to respond to needs that evolve along with society, its composition, style of life, purchasing behavior, etc.

COMPLEXITY

The survey shows that the difficulties associated with the projects aimed at promoting financial inclusion arise with respect to the supply and the demand sides.

As for **supply**:

- management of involved players. In developing innovative financial inclusion projects, a bank seeks the opinions of stakeholders to identify the needs, even those implied, of the market and the solutions to satisfy new expectations of new stakeholders, to be innovative and to be competitive in terms of products and procedures. Dialogue is effective to the extent that it meets two key requirements, i.e., inclusion and representation of stakeholders’ interests. Difficulties emerging from the dialogue with players involved in financial inclusion activities are:
 - quantity
 - difficulty in finding representatives, who are recognized as such in the long term and by all groups;
 - distribution in the territory
 - stakeholders’ familiarity with the subject matter and the topic under discussion
 - definition of tasks to perform in the framework of initiatives and in cooperation among stakeholders belonging to different sectors, each with its own goals, working processes and cultural values
 - inclination to establish/maintain/develop a relationship with a bank. On this point, some clients encounter access barriers because of their poor understanding of the banking system and (potentially useful) services. At the early stage of a relationship, the bank can launch initiatives

to attract prospective clients, such as guides in different languages or financial education programs to carry out in partnership with relevant associations for target clients.

In some cases, the survey therefore shows that it is necessary to build a “network of listeners” within the community, who play a fundamental role in expressing emerging needs. In the case of immigrants, this allows for example understanding financial needs in relation with their ethnic group.

The complex management of players also has an impact on the bank’s internal resources. In fact, several departments at the central office as well as individuals with different expertise working at branches are necessarily involved. Banks also point out that complexity in managing players is also due to volunteers’ participation. Volunteers, who often are former bankers, help with the process to grant loans and are connected to foundations or associations tied to banks.

With respect to specific products, such as transfer of savings to the country of origin, updating information and internal organizational systems is also challenging.

Banks also point out that personnel of a foreign nationality represent a potential advantage as it facilitates relationships with immigrant clients. However, it is difficult to find foreign staff with adequate experience and expertise.

As for **demand**, banks find that limiting the number of involved clients may pose problems. For example, this is the case of investments targeted to a specific community, where in the beginning the bank establishes structures specialized in offering banking services to immigrants or young people/students, however, in the second stage, as there is insufficient demand by these people, it decides to offer services also to *standard* clients.

It is also difficult to clearly identify those who would be classified a target. According to banks, the target are individuals encountering difficulties in accessing banking services, as they are victims of crimes, such as usury and racketeering; organizations which do not represent civil society as they do not belong to any non-profit category. In these cases, difficulties emerge from the partial rationalization of sectors, both at the legislative and self-regulation levels.

According to banks, a possible solution is to acquire partners external to the banking system to help develop financial information and education programs aimed at reducing the cultural gap between the target and the bank/services. These partners also include trade associations to the extent that they support micro-entrepreneurs in acquiring financial information necessary to obtain a loan.

As for immigrants, the difficulties in accessing banking services seem to result from the difficulties in saving money and in the immigrants' marginal and/or irregular position at the workplace and in society as a whole. In addition, such difficulties are also based on the perception that the banking system provides products and services specifically to those people with income and savings rather than offering opportunities to launch or simplify economic and financial inclusion.

In one case, advertisement aimed at promoting specific products proved counterproductive since the targeted people were worried that they could be considered as the disadvantaged segment of the population.

On a more general level, difficulties encountered in obtaining adequate bank guarantees are reportedly barriers in accessing financial services.

PRACTISES

As for MICROFINANCE SERVICES, the survey identifies the following products/services currently offered by banks:

with regard to SAVINGS

- Products linked to Islamic finance, which are being developed
- Ethical bonds, which earmark a portion of interest to social projects
- insurance policies/savings scheme contracts to respond to immigrants'/young people's needs
- pension funds for immigrants in Italy and for immigrant families in the country of origin
- savings book for the young (up to 14 years)
- mortgage loans to the elderly and with the possibility that family members redeem the mortgage

with regard to CREDIT, the offer is characterized by:

- reasonable costs covering expenses associated with the application for a loan and the management of the contract; reasonable applicable interest, for example, in cases where fixed interest rates apply over a certain period of time or where temporary workers qualify for the reduction of the spread after they move from a fixed-term contract to indefinite employment;
- flexibility in paying by installments

- not secured credit/recourse to funds specifically created to remedy exorbitant interest rates
- disbursing loans within a maximum of 5 days

with regard to CURRENT ACCOUNTS AND PAYMENT SERVICES, the offer is characterized by:

- simple and clear information so that products can be immediately understood;
- flexibility for those who are not clients in using services, such as prepaid cards and allowing credit transfers/crediting of salaries
- reasonable or zero management costs
- economic advantages to promote the use of electronic money, such as credit or debit cards, also by telephone, such as in transferring money
- agreements with banks in the countries of origin allowing immigrants to hold current accounts in the country of origin and in the country of destination
- credit cards allowing a donation to solidarity projects [charity] each time that a payment is made with no costs for costumers.

As for COMMERCIAL PRACTICES IN THE COMMUNITY, the survey shows that it is common practice to establish dedicated areas (for example, *multiethnic areas*) at the premises of traditional branches. These areas offer foreign customers all traditional banking services, which are, however, provided by dedicated staff belonging to the most representative ethnic groups and able to speak the clients' language. Otherwise information material translated into various languages is made available. Those banks that first launched financial inclusion initiatives developed the practice of establishing dedicated structures at the branch for immigrant customers. This practice still seems useful to support the target with respect to languages and technical difficulties.

Reception, consultancy and economic conditions (costs and flexibility) are the key factors affecting the immigrant-bank relationship. Other elements also affecting such relationship are accessibility, proximity to the workplace or home and flexible opening hours.

Another commercial practice in the community consists in offering specialized consulting services in traditional branches; sometimes these services are available via video or telephone links (multi-language call center).

Some banks also opened branches in strategic places to attract the relevant target. For example, counters are set to be located in squares mostly frequented by non-EU nationals, near large university campuses, or at the premises of organizations already offering services frequently used by he target.

Other banks are about to establish internal structures entrusted with commercial duties and specialized in promoting banking services vis-à-vis those foreign groups that are largely residing in the reference region.

It is also common practice to promote the branch's services by means of a communication specifically addressed to these types of clients.

Some banks established DEDICATED STRUCTURES, briefly described below:

- enterprise established by means of agreement among several entities, including the bank and local associations specialized in offering small-sized disbursements without collateral;
- bank established to satisfy the needs of the non-profit sector, also by using a rating model aimed at providing a correct interpretation of the characteristics of Italian non-profit associations;
- branches established to satisfy the needs of young people, foreigners, temporary workers, in terms of services offered and accessibility of the branch, improved by unprecedented opening hours, tidiness of spaces and communication integrated with resources available online.

Banks launched various FINANCIAL EDUCATION programs.

Retail customers and families are often considered weak players with respect to legislative developments and the technicalities of financial services. Consulting services provided by banks are aimed at reducing the asymmetrical information. With respect to enterprises, the bank provides consulting and intermediary services in connection with very complex legislative and management issues, such as internationalization, access to national and European subsidies and development of new technologies. Among others, discussion topics are: supplementary pension schemes; MIFID; macroeconomic framework and forecasts about financial market trends.

Initiatives are promoted through meetings with local communities, the distribution by regular mail of paper material, such as brochures, guides and communications concerning the account statements, website, specific selling campaigns at the branch, local press material distributed to the relevant target, specialized media, communication campaigns sponsored by the PattiChiari Consortium, prize contests, discounts with various entities (for example, gas coupons, purchase of Playstation games), personalized

e-mail messages, text messages to the young, guidelines for immigrants, such as, for example, multi-language glossary for immigrants holding a current account.

Partnership with universities, research institutes, consumer and entrepreneur associations are often established to prepare and distribute, through the branch and the partners, information material to reach a target, in terms of content. Special attention is given therefore to the words and graphics chosen.

Among the initiatives launched, are those aimed at helping young people appreciate [the value of] savings and, at the same time, fostering loyalty to the bank.

Financial education programs are also aimed at the banking staff. These programs include classroom courses and internal communications on specific products, online courses to develop general skills for better understanding emerging social needs of customers and immigrants. In addition, specific modules have been also included in training courses on basic products.

The survey shows that banks enter into PARTNERSHIPS with various entities: Confidi, religious community, local administrations, institutions and ministries, consumer associations, immigrants committees, non-profit organizations, embassies/consulates, trade associations, cooperatives active in the field of cultural mediation, foundations.

Organizations entering into relationships with banks generally are very familiar with the sector to which the beneficiary of the initiative belongs. These initiatives include the definition of banking services and products, the finalization of communication campaigns, as well as informative/educational material. Through these partnerships, the bank can improve its “ability to operate” in the community as the beneficiary tends to rely more on the shared information, and promoted by an organization protecting his interests.

When entering into a partnership, in some cases, the banks choose to test the initiative and launch a pilot phase in limited areas.

There are no reference models or guidelines indicating the criteria to follow in selecting a partner organization. Cittadinanzattiva has recently coordinated a European research study aimed at defining the process to select the partner organization¹⁰.

The survey shows that in most cases banks base their choice of partners on objective criteria such as experience, reliability, reputation of the organization, as well as on subjective parameters referring to previous experience with the organization. Comparison among potential service providers is also very common to ensure that customers can enjoy the best quality at the lowest price.

¹⁰ http://www.cittadinanzattiva.it/files/iniziativa/toolbox_Lisbon_seminar_Final.pdf

Finally, various departments, including the marketing and the business departments, within the bank are in charge of managing relations with different external entities.

PattiChiari and 9 consumer associations (Adiconsum, Adoc, Assoutenti, Cittadinanzattiva, Confconsumatori, Lega consumatori, Movimento difesa del cittadino, Movimento consumatori, Unione nazionale consumatori) launched the Porte Aperte a PattiChiari project, aimed at promoting the diffusion and knowledge on PattiChiari.

During the course of the project (April 2006 – February 2007) consumer associations opened 90 new locations that provided information on how to use PattiChiari instruments to better understand and, therefore, to better chose products offered by the banks. This information reached more than 20,000 citizens.

Financial inclusion is a lever for greater integration of particularly vulnerable individuals in society. Being able to access banking services can therefore result in emancipation from poverty and exclusion, which weighs on the public welfare system. Promoting financial inclusion means being able to break the vicious circle – a situation in which, without a current account, it is difficult to find a job or access other essential services, such as education, healthcare, housing – and therefore offer the opportunity to have a decent life. Being able to access electronic payment instruments can also help social inclusion. Electronic payment systems in fact reduce costs, save people time and make them less vulnerable and less exposed to loss of cash. The same argument is true with respect to credit access. In fact, if specialized commercial mainstream providers offer credit, people do not turn to risky alternatives, such as informal channels.

In the long-term, financial inclusion is therefore a *win win game* for all participants, including:

- banks, which can increase their business opportunities vis-à-vis the segments of the population with limited needs at the time of first contact with the bank, but that represent a niche market with high potential
- individuals involved in financial inclusion, who have several means to respond to daily difficulties
- institutions, which contribute to social cohesion and at the same time reduce their direct intervention with respect to the weakest groups of people, by means of dedicated programs addressed to:
 - the most publicly recognized awareness of financial inclusion issues, increasing awareness of existing and potential public tools to support financial inclusion policies,

- the development of social policies that, also on the basis of the conducted surveys, offer a framework to develop concrete tools to intervene, also through national networks involved in their planning and management (regions, local authorities, non-profit organizations);
- the promotion of microfinance and responsible use of money through information and education actions towards banks and citizens;
- boosting the proactive behavior of market players, for example, by helping circulation of banking products designed to satisfy the needs of unbanked clients, associated with public security, efficiency, simplification;
- implementation of initiatives aimed at facilitating financial inclusion of new immigrants who have been excluded from the process of bancarization (such as, for example, guidelines in the language of the most representative immigrant groups);
- the development and circulation of cheap, simple and secure services to transfer funds home for immigrants;
- development of financial education training programmes, aimed at honing, from a usability and effectiveness viewpoint, the use of banking services, e.g. for senior citizens.

As recently stated by the European Commissioner for Internal Market, Charlie McCreevy, clear rules and strong competition can boost financial inclusion. Institutions have a crucial role to play in helping define each player's role and creating opportunities for dialogue and exchange of practices. This is what happened at a recent conference on the issue¹¹. The conference, for the first time, presented institutional financial inclusion as a component of Europe's health and wealth.

More details on:

“FINANCIAL SERVICES PROVISION AND PREVENTION OF FINANCIAL EXCLUSION”
 COMMISSIONE EUROPEA, DG SOCIAL AFFAIRS AND EQUAL OPPORTUNITIES.

28 MAGGIO 2008 - <http://www.fininc.eu>

The Conference presented and discussed a study commissioned by the European Commission on financial inclusion. The study, which was carried out by an international research team, covered 25 European countries, including Italy.

¹¹ Conference on financial inclusion, Brussels, May 28, 2008; www.fininc.eu

The Study was structured in different stages including research and practices in different countries, preparation of papers on the issue, gathering expert opinions and preparing the cited final report. Four study centers, including the Milan University, coordinated the research activities.

Key points in the study:

- Scope: geographers Leyshon and Thriftintenti, who conducted a study on physical barriers to accessing banking services, used the words “*financial exclusion*” for the first time in 1993 in the field of economic geography. Since 1993, the expression has become increasingly important and embraced new elements to the point that it became an autonomous research field.
- The study defines financial exclusion as “*a process whereby people encounter difficulties accessing and using financial services and products in the mainstream market that are appropriate to their needs and enable them to lead a normal social life in the society in which they belong*”.
-

On the contrary, financial inclusion is defined as the situation in which people have the skills to fully access and use appropriate financial services.

In addition, financial exclusion is described as a dynamic concept with different intensity levels:

1. unbanked people;
2. partially banked people;
3. over-indebted people.

The phenomenon is complex, as financial inclusion is linked to the wider framework of social inclusion, and also characterized by societal factors as well as factors related to the supply and the demand of financial services (see tables in the Study).

Access and Use: by analyzing “*access*” and “*use*” of financial services and products, the Study concludes that the two concepts only partially overlap.

On the one hand, there are people who can access specific financial services but freely choose not to do so as they firmly dislike the banking system. On the other hand, there are people that do not access banking services as they believe that services and products offered are not appropriate to their needs and/or are excessively expensive. According to the Study, this is true with respect to insurance policies and consumer credit and can also be true for other banking services.

As for use, the Study finds that there are people who have already accessed certain banking products/services, but encounter difficulties as these services/products are inappropriate to their needs because of their characteristics and/or terms under which services/products are offered.

The situations described above result in groups of targeted people being excluded by the banking industry or excluding themselves as a result of negative experiences.

- Target: temporary workers, families/individuals without guarantees and with inadequate income, immigrants, as shown in ABI's previous research. In particular, the study identifies the following interrelated issues:
 - age brackets that are mostly at risk of financial exclusion are represented by young people between 18-25 years and adults over 65 (the latter group in the countries that have recently joined the European Union);
 - financial exclusion affects women more than men;
 - people living in rural areas or in small towns are more often victims of financial exclusion;
 - educational level/schooling is inversely proportional to the risk of financial exclusion. Moreover, people's knowledge of the features and use of financial services and products significantly affects financial exclusion;
 - financial exclusion affects ethnic minorities more than citizens of the considered country; the immigrant segment considered "interesting", to be investigated by means of qualitative research projects
 - unemployment, short-tem employment and off-the-book employment, have a negative impact on financial inclusion;
 - one-member families, single parents with dependent children, recently constituted families are mostly at risk of financial exclusion;
 - usually, the risk of financial exclusion is inversely proportional to income growth;
 - sickness and disability significantly affects ability to work and, therefore, financial exclusion.

The relation between financial exclusion and over-indebtedness: the survey focuses on the relations between social exclusion, financial exclusion and over-indebtedness, highlighting that people suffering from financial exclusion present similarities with those who are over-indebted, even if unbanked people are usually in a worse socio-economic situation; in other terms, the first group of people are on average less wealthy than the second group. On this point, we should mention that over-indebtedness is associated with the structural imbalance of personal budget and inappropriate management of financial resources, while financial exclusion is associated with no income or income below the poverty line.

By comparing the causes and consequences of the two phenomena, it clearly emerges that they are at the same time *cause* and *consequence* of poverty and social exclusion.

People in over-indebtedness mainly encounter difficulties related to access. In many European countries, over-indebtedness, or bad credit history, can be an obstacle to opening a current account or accessing other types of financial products.

Without a current account, payment operations may result in additional costs and it is also more difficult to access credit. This is true also with respect to other Member States (France and Belgium), where the practice of small-sized disbursements linked to a specific project may reduce or avoid the risk that over-indebtedness become irreversible (for example, disbursements to repair a car or buy a second hand car can help keep a job and allow the beneficiary of the credit to continue earning money).

In conclusion, even if there is a strong inter-relation between social exclusion and over-indebtedness, each of them has its own characteristics and therefore requires specific remedies.

In summary:

- The level of financial exclusion varies from country to country. The Study analyzes the situation in the EU Member States and identifies four levels of financial exclusion: low, medium-low, medium-high and high.
- Italy experiences a medium-high level of financial exclusion, with a percentage amounting to 16%, i.e., 8 million people excluded from banking services.
- Financial exclusion affects certain groups of people with specific characteristics more than others. In a general level, the same groups of people are financially excluded in relation to the country they live in and the level of financial exclusion in that country.
- The Report underlines the importance of voluntary practices (voluntary charters; code of practices) that the banking industry has developed to help reduce the level of financial exclusion.
- CSR is considered to be a facilitator (and therefore it should be promoted at an institutional level) as it favors the adoption of responsible practices by the banking system. This is something different from philanthropy. Partnership between banks and non-profit organizations are innovative instruments to introducing innovative processes, for example, to assess the risk of credit by making use of non-traditional methods.
- The Report also concludes that it is necessary that the market and the institutions intervene individually and through joint actions. Only the efforts of the banking sector are not enough to foster financial inclusion. It is necessary that all the different stakeholders, including governments, contribute,

in terms of expertise and instruments. Governments should also stimulate the debate on this topic to foster confidence in the financial system. Governments should also support actions to removing existing obstacles which prevent financial and social inclusion.

- Development and use of indicators at the institutional level are also recommended in monitoring financial inclusion levels. Indicators may also support compensation mechanisms to promote the adoption of CSR /financial inclusion practices by banks.

ABI, which participated in the conference, illustrated the efforts of the Italian banking industry in promoting financial inclusion. It has made the following proposals to the European Commission:

- greater coordination among the various efforts aimed at promoting CSR and financial inclusion (DG Internal Market; Social Affairs; Enterprise; Regional Affairs, etc are currently involved);
- desired, renewed commitment by the Government/European Commission and other stakeholders, who should continue contributing to the development of initiatives in the field of self-regulation;
- commitment in placing best practices in a wider framework, through European Alliance for Corporate Social Responsibility. In the 2006 communication *“Implementing the partnership for growth and jobs: making Europe a pole of excellence on corporate social responsibility”*, the Commission supported the Alliance. The communication, which intended to give greater political visibility to CSR in the framework of the renewed Lisbon strategy for sustainable development, restated the voluntary approach to CSR and acknowledged the fundamental role of enterprises, drivers of national economic growth.

Annex - “European Laboratory on financial inclusion.” Form to collect data on banking activities.

Information notice pursuant to article 13 of Legislative Decree no. 196 of 2003

In its role as data controller, ABI will carry out the processing of personal data of the bank and the employee appointed by the bank, including security matters, in compliance with the provisions contained in Legislative Decree no. 196 of June 30, 2003. Data processing will be carried out with the help of electronic systems, for the purpose of managing data provided in this questionnaire and, in any case, for the time strictly necessary to fulfill such purpose.

Data provided by the banks and the findings of the survey may be communicated, disseminated to third parties and published at the national and European levels, for the purpose for which the data have been collected, in accordance with the methods established by ABI in line with relevant legislation.

Pursuant to article 7 of Legislative Decree no. 196 of June 30, 2003, data subjects have the right to access their data, for example, to update, supplement, rectify, erase, block such data, as well as the right to oppose data processing, by contacting ABI’s department for Corporate Social Responsibility – P.zza del Gesù n. 49, 00186 Rome (contact person: Angela Tanno, phone: + 39 06 6767570).

BANK/GROUP:
ABI CODE:

Details of the person in charge of financial inclusion activities
Name:
Job Title/Responsibilities:
Phone and Fax:
E-mail:
Details of the person in charge of financial inclusion activities, <u>if different from the person filling in this form.</u>
Name:
Job Title/Responsibilities:
Phone and Fax:
E-mail:

Please describe financial inclusion initiatives that have been undertaken:

Microfinance services (for example, savings, credit, current accounts and payment services)

1.a) SAVINGS – Please describe the main characteristics of the offered service (<i>maximum 5 lines</i>):
Please describe the target (<i>maximum 5 lines</i>):
Reasons supporting the development of the initiative (<i>describe briefly the two main reasons – maximum 5 lines</i>):
Difficulties in developing the initiative (<i>describe briefly the two main difficulties encountered – maximum 5 lines</i>)
Achievements (<i>for example, number/type of beneficiaries and, if available, evolution in the last two or three years –</i>

maximum 5 lines):

1.b) CREDIT - Please describe the main characteristics of the offered service (*maximum 5 lines):*

Please describe the target (*maximum 5 lines):*

Reasons supporting the development of the initiative (*describe briefly the two main reasons – maximum 5 lines):*

Difficulties in developing the initiative (*describe briefly the two main difficulties encountered – maximum 5 lines)*

Achievements (*for example, number/type of beneficiaries and, if available, evolution in the last two or three years – maximum 5 lines):*

1.c) CURRENT ACCOUNT AND PAYMENT SERVICES - Please describe the main characteristics of the offered service (*maximum 5 lines):*

Please describe the target (*maximum 5 lines):*

Reasons supporting the development of the initiative (*describe briefly the two main reasons – maximum 5 lines):*

Difficulties in developing the initiative (*describe briefly the two main difficulties encountered – maximum 5 lines)*

Achievements (*for example, number/type of beneficiaries and, if available, evolution in the last two or three years –*

maximum 5 lines):

Commercial practices in the community (for example, a dedicated network, specialized counters, branch location, etc.)

Main characteristics of the services (*please list maximum 3 services and describe them – maximum 10 lines*)

Please describe the target (*maximum 5 lines*):

Reasons supporting the development of the initiative (*describe briefly the two main reasons – maximum 5 lines*):

Difficulties in developing the initiative (*describe briefly the two main difficulties encountered – maximum 5 lines*)

Outcome (*for example, number/type of beneficiaries and, if available, evolution in the last two or three years – maximum 5 lines*):

Dedicated structures (for example, a dedicated bank, a specialized finance company, etc)

Main characteristics of the projects (*please list maximum 3 projects and describe them – maximum 10 lines*)

Please describe the target (*maximum 5 lines*):

Reasons supporting the development of the initiative (*describe briefly the two main reasons – maximum 5 lines*):

Difficulties in developing the initiative (*describe briefly the two main difficulties encountered – maximum 5 lines*)

Achievements (*for example, number/type of beneficiaries and, if available, evolution in the last two or three years –*

maximum 5 lines):

Financial Education (for example, classroom courses, websites; informative material, etc)

Main characteristics of the initiative (*please list maximum 3 initiatives and describe them – maximum 10 lines):*

Please describe the target (*maximum 5 lines):*

Reasons supporting the development of the initiative (*describe briefly the two main reasons – maximum 5 lines):*

Difficulties in developing the initiative (*describe briefly the two main difficulties encountered – maximum 5 lines)*

Achievements (*for example, number/type of beneficiaries and, if available, evolution in the last two or three years – maximum 5 lines):*

Partnerships with entities other than banks (for example, department involved, criteria used to select the partner organization; goals/work schedule, etc.)

Main characteristics of the initiative (*please list maximum 3 initiatives and describe them – maximum 10 lines):*

Please describe the target (*maximum 5 lines):*

Reasons supporting the development of the initiative (*describe briefly the two main reasons – maximum 5 lines):*

Difficulties in developing the initiative <i>(describe briefly the two main difficulties encountered – maximum 5 lines)</i>
Achievements <i>(for example, number/type of beneficiaries and, if available, evolution in the last two or three years – maximum 5 lines):</i>

Other
Describe further initiatives in the field of financial inclusion <i>(maximum 10 lines):</i>

I authorize ABI to disseminate and publish the above information according to the methods it chooses to adopt without any obligations and my right to compensation.

Date

Signature

Microfinance services (e.g. savings, credit, current accounts and payment services)
CREDIT - Please describe the main characteristics of the offered service (maximum 5 lines):
Bank loans given on the basis of personal security or anti-usury funds
Please describe the target (maximum 5 lines):
Victims of usury and racketeering
Reasons supporting the development of the initiative (describe briefly the two main reasons – maximum 5 lines):
Reintegrating the victims of usury or racketeering into the Banking system as under the above point
Difficulties in developing the initiative (describe briefly the two main difficulties encountered – maximum 5 lines)
Difficulties in identifying with certainty who the beneficiaries are as well as their needs

CURRENT ACCOUNT AND PAYMENT SERVICES - Please describe the main characteristics of the offered service (maximum 5 lines):
Current accounts allowing limited transactions; credit transfers Prepaid credit cards
Please describe the target (maximum 5 lines):
Business owners, entrepreneurs, craftsmen, self-employed, retirees and employees
Reasons supporting the development of the initiative (describe briefly the two main reasons – maximum 5 lines):
Avoiding that those who are victims of usury and racketeering will be excluded by Banking services
Difficulties in developing the initiative (describe briefly the two main difficulties encountered – maximum 5 lines)
Difficulties in identifying with certainty who the beneficiaries are

Commercial practices in the territory (for example, a dedicated network, specialized counters, branch location, etc.)
Main characteristics of the services (please list maximum 3 services and describe them – maximum 10 lines)
Information is circulated through credit guarantee consortia, non-profit organizations (Enti morali) and foundations

Financial Education (for example, classroom courses, websites; informative material, etc)
Main characteristics of the initiative (please list maximum 3 initiatives and describe them – maximum 10 lines):
Circular letters and classroom courses for the Bank 's staff

6. Other
Describe further initiatives in the field of financial inclusion (<i>maximum 10 lines</i>):
Party to a framework agreement, promoted by the Italian Ministry of Interior, the Bank of Italy and ABI, to prevent usury and racketeering and to assist the victims of such crimes

Microfinance services (e.g. savings, credit, current accounts and payment services)
<p>SAVINGS – Please describe the main characteristics of the offered service (<i>maximum 5 lines</i>):</p> <p>In order to allow transfer of savings to and from abroad, the Bank started to offer the money transfer service at reduced costs (to send and to receive)</p>
<p>Please describe the target (<i>maximum 5 lines</i>):</p> <p>The target is composed of foreigners, who reside in Italy and need to transfer money abroad in a simple, fast and affordable manner and vice versa foreigners, who reside in Italy and need to receive money from abroad</p>
<p>Reasons supporting the development of the initiative (<i>describe briefly the two main reasons – maximum 5 lines</i>):</p> <ol style="list-style-type: none"> 1) the presence of foreigners in the locality of the Bank 's operations 2) the need to provide an efficient and effective service to those who desire to transfer money to/from abroad
<p>Difficulties in developing the initiative (<i>describe briefly the two main difficulties encountered – maximum 5 lines</i>)</p> <p>Aligning the Information Systems to the requirements set out by data protection regulations (on the collection and processing of personal data), with respect to authentication of business units and management of operations</p>
<p>Achievements (<i>for example, number/type of beneficiaries and, if available, evolution in the last two or three years – maximum 5 lines</i>):</p> <p>In 2007-2008, more than 70% of all transactions were from Italy to abroad, while only the remaining 30% were from abroad to Italy. Money was transferred to the following regions: Europe (63%), America (15%), Asia (13%), Africa (4%), Australia (4%). The majority of money transfers are directed to Romania (about 20%), followed by China (about 10%) and South America. 77% of the money transfers from abroad originated in European countries and 9% in America.</p>
<p>CREDIT - Please describe the main characteristics of the offered service (<i>maximum 5 lines</i>):</p> <p>The Bank launched numerous initiatives facilitating access to credit. These include: the “Diamogli credito” project in cooperation with the Ministry of Youth Affairs and Sports, the “Microcredito” project in cooperation with local religious institutions, the “Entities” project in cooperation with the Piedmont regional administration, the “Households” project offering products to protect customers in case of non-payment of the mortgage as a result of job loss, hospitalization and temporary total disability resulting from an accident or sickness, as well as other disbursements payable by instalments</p>
<p>Please describe the target (<i>maximum 5 lines</i>):</p> <p>The identified target is composed of the young/temporary workers, immigrants desiring to start-up a business, entities, associations, the regional museum of natural sciences, low-income households and non-profit organizations funded by the Department of Cultural Affairs, language heritage, minorities and youth affairs of the Piedmont Region</p>
<p>Reasons supporting the development of the initiative (<i>describe briefly the two main reasons – maximum 5 lines</i>):</p> <p>Assisting local communities in need and facilitating their integration into the territory by means of products designed to address specific needs</p>
<p>Difficulties in developing the initiative (<i>describe briefly the two main difficulties encountered – maximum 5 lines</i>)</p> <ol style="list-style-type: none"> 1) The number of players involved in the launch of the initiatives made the development of the project more complex 2) Integrating the information and organization systems to manage new workflows

Achievements (for example, number/type of beneficiaries and, if available, evolution in the last two or three years – maximum 5 lines):
The “Famiglie” project achieved important results in terms of credit granted by means of dual line credit cards and the launch of a product which protects customers in case of non-payment of the mortgage

CURRENT ACCOUNTS AND PAYMENT SERVICES - Please describe the main characteristics of the offered service (maximum 5 lines):

These are the products that the Bank started offering:

- zero cost current accounts for young adults
- savings passbooks for young adults, which allow for bonuses
- rechargeable prepaid cards not requiring the opening of a current account

Please describe the target (maximum 5 lines):

The target is composed of :

- zero cost current accounts: young adults aged 18-26 with a current account specifically designed for young adults or with a savings passbook; undergraduates or graduate students aged 18-35 of any nationalities, provided that they reside in Italy and can evidence solid grades
- savings passbooks: young adults up to 18 years old
- rechargeable prepaid cards: specifically reserved for households with basic financial needs. These cards are also good for young adults, people shopping online and immigrants who do not want to start a long-term relationship with the Bank by opening a current account

Reasons supporting the development of the initiative (describe briefly the two main reasons – maximum 5 lines):

- 1) Providing straightforward, flexible and affordable products to people with limited available funds
- 2) Reaching people who would be excluded if only standard products existed

Difficulties in developing the initiative (describe briefly the two main difficulties encountered – maximum 5 lines)

Diffusing and publicizing the initiative among targeted people

Achievements (for example, number/type of beneficiaries and, if available, evolution in the last two or three years – maximum 5 lines):

About 10 % of the Bank 's clients are young adults. This is still a modest percentage, but it is increasing with respect to the same data in previous years. Prepaid cards represent 2% of the total number of Bank cards granted by the Bank to its customers (private clients and companies, including business credit cards)

Commercial practices in the community (for example, a dedicated network, specialized counters, branch location, etc.)

Main characteristics of the services (please list maximum 3 services and describe them – maximum 10 lines)

In the framework of the initiatives described above, the Bank appointed experts specialized in the various products to:

- provide assistance at operational offices
- engage with clients or potential clients who are the recipients of the initiatives

Please describe the target (maximum 5 lines):

The target of the specific initiatives was composed of:

- young adults
- families with basic financial needs
- foreigners
- entities and associations

Reasons supporting the development of the initiative (describe briefly the two main reasons – maximum 5 lines):

Address the specific needs of the targeted individuals who request financial products other than standard products

Difficulties in developing the initiative (*describe briefly the two main difficulties encountered – maximum 5 lines*)
Integrating the experts in the organizational structure of operational offices

Outcome (*for example, number/type of beneficiaries and, if available, evolution in the last two or three years – maximum 5 lines*):

Difficulties in making targeted people interested in the products offered by the Bank

Dedicated structures (for example, a dedicated Bank , a specialized finance company, etc)

Main characteristics of the projects (*please list maximum 3 projects and describe them – maximum 10 lines*)

The projects have been carried out at the headquarters of the Bank , with the participation of several departments (marketing, compliance, internal controls, organization, information systems, legal, commercial, management control, risk management, etc.) and in close cooperation with external partners. The activities carried out jointly included the analysis of needs and customer base, competitor solutions, the creation of new products, the formulation of objectives, the promotion of initiative and control over expected outcomes.

Please describe the target (*maximum 5 lines*):

The target of the specific initiatives was composed of:

- young adults
- families with basic financial needs
- foreigners
- entities and associations

Reasons supporting the development of the initiative (*describe briefly the two main reasons – maximum 5 lines*):

- 1) increasing the number of clients
- 2) meeting the needs of local communities

Difficulties in developing the initiative (*describe briefly the two main difficulties encountered – maximum 5 lines*)
Difficult coordination among players involved

Achievements (*for example, number/type of beneficiaries and, if available, evolution in the last two or three years – maximum 5 lines*):

The Bank increased product offerings even those specifically designed for those customers that were only partially taken into consideration

Financial Education (for example, classroom courses, websites; informative material, etc)

Main characteristics of the initiative (*please list maximum 3 initiatives and describe them – maximum 10 lines*):

The initiatives described above were publicized:

- at each Bank 's operational office
- through the Bank 's website
- through communications targeted to customers (newsletter, messages in the account statement, mailing, etc.) as well as leaflets or brochures on a specific product
- targeted sales campaigns

Please describe the target (*maximum 5 lines*):

The target of the specific initiatives is composed of :

- young adults
- families with basic financial needs
- foreigners
- entities and associations

Reasons supporting the development of the initiative (<i>describe briefly the two main reasons – maximum 5 lines</i>): Raising awareness of the staff at operational offices of customer needs, and especially the needs of the targeted individuals
Difficulties in developing the initiative (<i>describe briefly the two main difficulties encountered – maximum 5 lines</i>)
Achievements (<i>for example, number/type of beneficiaries and, if available, evolution in the last two or three years – maximum 5 lines</i>): Greater responsiveness and improvement of communication between targeted customers and the staff at the operational offices

Partnerships with entities other than Banks (for example, department involved, criteria used to select the partner organization; goals/work schedule, etc.)
Main characteristics of the initiative (<i>please list maximum 3 initiatives and describe them – maximum 10 lines</i>): For each of the initiatives carried out in cooperation with external participants, the potential service providers compared their offerings to ensure that customers receive the best products at the least cost. Assessment also included trustworthiness of the partner, experience, reputation, etc.
Please describe the target (<i>maximum 5 lines</i>): The target of the specific initiatives is composed of : - young adults - families with basic financial needs - foreigners - entities and associations
Reasons supporting the development of the initiative (<i>describe briefly the two main reasons – maximum 5 lines</i>): Participation of external players is aimed at: - satisfying the needs of targeted individuals in a more consistent and valuable manner - allowing to reduce development and preparation time of projects and put projects in place in accordance with the Bank 's operational plans
Difficulties in developing the initiative (<i>describe briefly the two main difficulties encountered – maximum 5 lines</i>) Coordination among internal and external players involved in the process
Achievements (<i>for example, number/type of beneficiaries and, if available, evolution in the last two or three years – maximum 5 lines</i>):

Other
Describe further initiatives in the field of financial inclusion (<i>maximum 10 lines</i>): During the year 2008, in cooperation with important finance companies, which will partially outsource this activity, the Bank intends to offer a secured loan to be repaid by monthly payments up to a fifth of the monthly salary (cessione del quinto) designed to provide credit to a portion of workers and retirees who are currently excluded from the access to credit.

Microfinance services (e.g. savings, credit, current accounts and payment services)

SAVINGS – Please describe the main characteristics of the offered service (*maximum 5 lines*):
We have no specific special offers in this area. If these activities can be considered as part of financial inclusion, we offer savings passbooks to children up to 12 years (“*Conto 44 Gatti*”) and adolescents (“*Conto Compilation*”). In addition, we offer Ethical Bonds issued by the Banca Popolare Etica.
Internet details:
Private Clients – My Current Account – *Conto 44 Gatti*
Private Clients – My Current Account – *Conto Compilation*

CREDIT - Please describe the main characteristics of the offered service (*maximum 5 lines*):

The Bank offers loans at zero interest rate to assist students in buying books (*Prestito Libri “Zero”*) or a computer (“*Prestito Computer Zero*”). The Bank also offers so-called “No Barriers” loan to assist financing the works necessary to remove physical barriers at the disabled’s residence (*Prestito “No Barriere”*).
Internet details: - Private Clients – Lending Program – *Prestito Libri Zero*
Internet details: - Private Clients – Lending Program – *Prestito Computer Zero*
Internet details: - Private Clients – Lending Program – *Prestito No Barriere*

Reasons supporting the development of the initiative (*describe briefly the two main reasons – maximum 5 lines*):
Helping low-income households that encounter financial difficulties in certain periods of the year (e.g., in September, when returning from vacation)

Difficulties in developing the initiative (*describe briefly the two main difficulties encountered – maximum 5 lines*):
Loan are not widely publicized and their amounts are modest. Some households may feel embarrassed about requesting such assistance.

CURRENT ACCOUNTS AND PAYMENT SERVICES - Please describe the main characteristics of the offered service (*maximum 5 lines*):

Current Account “World” (Conto “World”)
Ethical rechargeable prepaid cards
Internet details: - Private Clients – My Current Account – Conto World
Internet details: - Non-profit – prepaid cards also supporting ethical goals

Please describe the target (*maximum 5 lines*):
foreign workers

Reasons supporting the development of the initiative (*describe briefly the two main reasons – maximum 5 lines*):

Offering services to foreign workers who will probably become clients. The number of foreign workers is growing over the time. This service is purposely offered at all the counters of the Bank to avoid the issue of discrimination. Most assistance, including information material, is provided in various languages.

Difficulties in developing the initiative (*describe briefly the two main difficulties encountered – maximum 5 lines*)
It is necessary to carefully select clients to avoid “nasty surprises”

CURRENT ACCOUNTS AND PAYMENT SERVICES - Please describe the main characteristics of the offered service (*maximum 5 lines*):
Current accounts specifically for the non-profit sector called “Insieme per il Terzo Settore” [together for Non-profit sector]
Internet details: non-profit - current account for the non-profit sector

Please describe the target (*maximum 5 lines*):
Non-profit associations, social cooperatives, recreational and/or sporting associations
Partners-workers of social cooperatives

Reasons supporting the development of the initiative (*describe briefly the two main reasons – maximum 5 lines*):
Offering a service to targeted persons at reduced cost

Difficulties in developing the initiative (*describe briefly the two main difficulties encountered – maximum 5 lines*)
It is necessary to carefully select the organizations requesting funds to avoid that “self-declared non-profit organizations” unduly benefit from preferential tax regimes reserved for non-profit organization

Achievements (*for example, number/type of beneficiaries and, if available, evolution in the last two or three years – maximum 5 lines*):
Good

Commercial practices in the community (for example, a dedicated network, specialized counters, branch location, etc.)

Main characteristics of the services (*please list maximum 3 services and describe them – maximum 10 lines*)
In order to avoid any issue with discrimination, all services are offered at all counters.

Dedicated structures (for example, a dedicated Bank , a specialized finance company, etc)

Main characteristics of the projects (*please list maximum 3 projects and describe them – maximum 10 lines*)
In order to avoid any issue with discrimination, all services are offered at all counters.

Financial Education (for example, classroom courses, websites; informative material, etc)

Main characteristics of the initiative (*please list maximum 3 initiatives and describe them – maximum 10 lines*):

Holders of the “World” current account may obtain a glossary translated into various languages. The glossary provides an explanation and translation of the principal Banking and financial terminology

Please describe the target (*maximum 5 lines*):
Foreign workers

Other

Describe further initiatives in the field of financial inclusion (*maximum 10 lines*):

Cooperating with the Modena municipality and business owners to grant discounts to large households (“Family Card”).

Microfinance services (e.g. savings, credit, current accounts and payment services)

CREDIT - Please describe the main characteristics of the offered service (*maximum 5 lines*):

One of the main difficulties encountered by immigrants is access to credit/ loans. For example, to pay necessary expenses in advance to rent a home, to start-up a business, to purchase a home. Among financial products, in addition to credit and personal loans to immigrants, BPM allocated two plafonds to immigrants. There is also the possibility to make specific agreements with non-profit organizations and associations promoting integration of non-EU citizens into the Italian society.

Please describe the target (*maximum 5 lines*):
Immigrants

Reasons supporting the development of the initiative (*describe briefly the two main reasons – maximum 5 lines*):
Promoting social integration of immigrants

Difficulties in developing the initiative (*describe briefly the two main difficulties encountered – maximum 5 lines*):
Availability of collateral to facilitate borrowings

Achievements (*for example, number/type of recipients and, if available, evolution in the last two or three years – maximum 5 lines*):
At the end of December 2007, the Bank granted about 5,500 loans and 3,000 home loans (respectively +26% and +12% with respect to December 2006)

CURRENT ACCOUNTS AND PAYMENT SERVICES - Please describe the main characteristics of the offered service (*maximum 5 lines*):

Creation of the “Extraordinario” line, specifically for immigrants, which allows:

- the possibility to transfer money to their country of origin on the basis of bilateral agreements that BPM signed with various foreign Banks
- International prepaid cards
- three types of current account at reasonable fees, varying according to the services offered: the basic Conto-Servizio Bancario, Extraordinario Small and Extraordinario Large
- free insurance policy to resolve specific personal and family needs

Please describe the target (*maximum 5 lines*):
Immigrants

Reasons supporting the development of the initiative (*describe briefly the two main reasons – maximum 5 lines*):
Financial needs of immigrants tend to increase in parallel with their higher integration in our society

Difficulties in developing the initiative (*describe briefly the two main difficulties encountered – maximum 5 lines*):
None

Achievements (*for example, number/type of beneficiaries and, if available, evolution in the last two or three years – maximum 5 lines*):
About 33,400 clients in December 2007 (+9% if compared with the same data at the end of 2006)

Commercial practices in the community (for example, a dedicated network, specialized counters, branch location, etc.)

Main characteristics of the services (*please list maximum 3 services and describe them – maximum 10 lines*):
BPM has developed new multiethnic ways of providing services, by means of multilanguage call

centres and, in some branches, video-consulting services offered by means of the Extraordinario Point.
Please describe the target (<i>maximum 5 lines</i>): Immigrants
Reasons supporting the development of the initiative (<i>describe briefly the two main reasons – maximum 5 lines</i>): Making it easier for immigrants to understand how the offered products and services work.
Difficulties in developing the initiative (<i>describe briefly the two main difficulties encountered – maximum 5 lines</i>)
Outcome (<i>for example, number/type of beneficiaries and, if available, evolution in the last two or three years – maximum 5 lines</i>): Positive feedback by customers (including potential customers)

Financial Education (for example, classroom courses, websites; informative material, etc)
Main characteristics of the initiative (<i>please list maximum 3 initiatives and describe them – maximum 10 lines</i>): a. Advertising campaign to launch customized services b. Informative material in eight foreign languages besides Italian: Arabic, French, Spanish, Filipino, Romanian, Portuguese, English and Chinese c. Organizing training courses for those who want to start a career as entrepreneurs d. Contribution to the making of a Multilanguage Guide to Pharmaceuticals
Please describe the target (<i>maximum 5 lines</i>): Immigrants
Reasons supporting the development of the initiative (<i>describe briefly the two main reasons – maximum 5 lines</i>): Facilitate financial inclusion
Difficulties in developing the initiative (<i>describe briefly the two main difficulties encountered – maximum 5 lines</i>)
Achievements (<i>for example, number/type of beneficiaries and, if available, evolution in the last two or three years – maximum 5 lines</i>): Supporting awareness of the targeted public of the dedicated line

Partnerships with entities other than Banks (for example, department involved, criteria used to select the partner organization; goals/work schedule, etc.)
Main characteristics of the initiative (<i>please list maximum 3 initiatives and describe them – maximum 10 lines</i>): We worked in cooperation with trade associations, social associations and charities to make the targeted persons familiar with Bankarization and products offered by the Bank
Please describe the target (<i>maximum 5 lines</i>): Immigrants

Microfinance services (e.g. savings, credit, current accounts and payment services)
SAVINGS – Please describe the main characteristics of the offered service (<i>maximum 5 lines</i>): Basic Banking services
Please describe the target (<i>maximum 5 lines</i>): Foreigners working in Italy and who legally hold a residence permit Weak segments of the population
Reasons supporting the development of the initiative (<i>describe briefly the two main reasons – maximum 5 lines</i>): Developing a potential market segment Expressed need of foreigners working in Italy to transfer their earnings from Italy to their country of origin
Difficulties in developing the initiative (<i>describe briefly the two main difficulties encountered – maximum 5 lines</i>): Communication Financial Education
Achievements (<i>for example, number/type of beneficiaries and, if available, evolution in the last two or three years – maximum 5 lines</i>): Inadequate financial education of targeted persons did not allow us to reach set objectives
CREDIT - Please describe the main characteristics of the offered service (<i>maximum 5 lines</i>): Micro credit experimentation
Please describe the target (<i>maximum 5 lines</i>): Foreigners working in Italy who legally hold a residence permit
Reasons supporting the development of the initiative (<i>describe briefly the two main reasons – maximum 5 lines</i>): Developing a potential market segment Favouring small businesses' start-up
Difficulties in developing the initiative (<i>describe briefly the two main difficulties encountered – maximum 5 lines</i>): - communication - financial education
Achievements (<i>for example, number/type of beneficiaries and, if available, evolution in the last two or three years – maximum 5 lines</i>): It is not possible to make an assessment as the project is still ongoing
CURRENT ACCOUNTS AND PAYMENT SERVICES - Please describe the main characteristics of the offered service (<i>maximum 5 lines</i>): EveryWhere: this is a new type of current account with low monthly costs allowing unlimited transactions as well as the following additional services: business debit card which allows €1,000 per month maximum and €100 per day; purchase of PIC and PAC quotas; purchase of bonds issued by the Bank ; standing orders to pay bills; issuance of rechargeable credit/debit cards.
Please describe the target (<i>maximum 5 lines</i>): Regular non-EU nationals holding resident permits issued for working reasons and therefore having the status of “resident” according to art. 1, paragraph 1, letter C) of the Presidential Decree no. 148 of

March 31, 1988, <u>for the purpose of the application of the rules on currency</u>
Reasons supporting the development of the initiative <i>(describe briefly the two main reasons – maximum 5 lines)</i> : Reaching “unBanked” clients, such as non-EU nationals who gradually integrate into the national and local productive cycle (as employees or business owners or small entrepreneurs) through schemes that go from opening deposit and savings accounts and/or current accounts, necessary to exploit a series of basic services.
Difficulties in developing the initiative <i>(describe briefly the two main difficulties encountered – maximum 5 lines)</i> - Communication - Financial Education
Achievements <i>(for example, number/type of beneficiaries and, if available, evolution in the last two or three years – maximum 5 lines)</i> : We are carrying out a financial education project with the aim to improve the level of performance achieved

Commercial practices in the community (for example, a dedicated network, specialized counters, branch location, etc.)
Main characteristics of the services <i>(please list maximum 3 services and describe them – maximum 10 lines)</i> Launch of products/services beyond the simple management of savings transfers to the country of origin, but aimed at establishing a long and stable relationship with targeted people
Please describe the target <i>(maximum 5 lines)</i> : Non-EU nationals
Reasons supporting the development of the initiative <i>(describe briefly the two main reasons – maximum 5 lines)</i> : Improving relationships with non-EU customers
Difficulties in developing the initiative <i>(describe briefly the two main difficulties encountered – maximum 5 lines)</i> Communication
Outcome <i>(for example, number/type of beneficiaries and, if available, evolution in the last two or three years – maximum 5 lines)</i> : Inadequate financial education of targeted groups did not allow us to achieve the planned objectives

Financial Education (for example, classroom courses, websites; informative material, etc)
Main characteristics of the initiative <i>(please list maximum 3 initiatives and describe them – maximum 10 lines)</i> : Financial education of non-EU customers is carried out in cooperation with cooperatives working in the field of cultural mediation
Please describe the target <i>(maximum 5 lines)</i> : non-EU customers
Reasons supporting the development of the initiative <i>(describe briefly the two main reasons – maximum 5 lines)</i> : Focus on developing a new business model leading to “corporate social responsibility” of the enterprise Inclusion of immigrant customers in the Banking networks

Difficulties in developing the initiative <i>(describe briefly the two main difficulties encountered – maximum 5 lines)</i>
Achievements <i>(for example, number/type of beneficiaries and, if available, evolution in the last two or three years – maximum 5 lines)</i> : The initiative is still underway
Partnerships with entities other than Banks (for example, department involved, criteria used to select the partner organization; goals/work schedule, etc.)
Main characteristics of the initiative <i>(please list maximum 3 initiatives and describe them – maximum 10 lines)</i> : Interreg Project Italy-Albania card with the participation of the Puglia Region, the EU and microfinance companies.
Please describe the target <i>(maximum 5 lines)</i> : Albanians working in Italy
Reasons supporting the development of the initiative <i>(describe briefly the two main reasons – maximum 5 lines)</i> : Bilateral agreements with foreign credit institutions
Difficulties in developing the initiative <i>(describe briefly the two main difficulties encountered – maximum 5 lines)</i> Financial education
Achievements <i>(for example, number/type of beneficiaries and, if available, evolution in the last two or three years – maximum 5 lines)</i> : The project is at initial stage

<p>Microfinance services (e.g. savings, credit, current accounts and payment services)</p> <p>SAVINGS AND INSURANCE POLICY – Characteristics of the offered service (<i>maximum 5 lines</i>):</p> <p>There are various financial inclusion initiatives in the field of savings and insurance policy regarding various products/services offered by one or more Banks belonging to the BP Group.</p> <p>IMMIGRANTS</p> <p>a. Friend Service Formula – program targeting immigrants allowing a <u>Europe Assistance insurance</u> without additional costs. This insurance includes: transportation of a family member in case of hospitalization, assistance in case of sickness of minor children, repatriation of a family member in case of death, repatriation of remains</p> <p>b. Cuenta Conmigo – current accounts reserved for Hispanic clients residing in Italy including a <u>Europe Assistance insurance policy</u> that provides for: transportation of a family member in case of hospitalization, repatriation of a family member in case of death, repatriation of remains, daily allowance in case of injury (the current account is currently available only at the Bank branches in Liguria)</p> <p>YOUNG ADULTS</p> <p>Current account targeted to young adults aged 18-30. The current account includes a <u>Europe Assistance insurance policy</u> and allows signing-up to investment plans and mutual fund accumulation plans with front-end load discounted by 50%.</p>
<p>Please describe the target (<i>maximum 5 lines</i>):</p> <p>I and II – immigrants</p> <p>III – young adults</p>
<p>Reasons supporting the development of the initiative (<i>describe briefly the two main reasons – maximum 5 lines</i>):</p> <p>IMMIGRANTS</p> <ul style="list-style-type: none"> ▪ the number of immigrants will grow in the next years ▪ specific insurance needs of the targeted people <p>YOUNG ADULTS</p> <ul style="list-style-type: none"> ▪ they represent an important market segment for the Banking group ▪ specific needs of the targeted people
<p>Difficulties in developing the initiative (<i>describe briefly the two main difficulties encountered – maximum 5 lines</i>):</p> <p>IMMIGRANTS</p> <ul style="list-style-type: none"> ▪ understanding the specific needs of the targeted people, in relation with the ethnic group they belong to <p>YOUNG ADULTS</p> <ul style="list-style-type: none"> ▪ understanding the specific needs of the targeted people
<p>Achievements (<i>for example, number/type of beneficiaries and, if available, evolution in the last two or three years – maximum 5 lines</i>):</p> <p>Not available</p>
<p>CREDIT - Please describe the main characteristics of the offered service (<i>maximum 5 lines</i>):</p> <p>IMMIGRANTS</p> <p>I. Residential loans for immigrants: mortgage loans for foreigners who have been residing in Italy for at least two years, specifically designed to buy a home (such type of mortgage is currently available only at the branches in Liguria and it is under evaluation extending the service to the entire Group)</p> <p>YOUNG ADULTS</p> <p>II. Specific credit lines for young adults: the “Diamoglicredito” initiative is an unsecured loan offered in cooperation with the Ministry of Youth Affairs and Sports to provide financial support for different</p>

purposes: paying tuition fees and additional college costs, paying for the Erasmus program or a master degree, for the purchase of a new PC, for down payment in order to rent a place;
 Students loans based on honor (“Prestiti d’onore”), offered to students who are temporarily in needs;
 “Prestito Agorà”, loan at discounted rates launched in cooperation with the Italian Council of Catholic Archbishops and Bishops (Consiglio Episcopale Italiano), at the occasion of the gathering of Italian Youth; “Credit lines specifically designed to support education plans” (paying tuition fees, other school and college costs, financing the purchase of handbooks, language courses and training, summer schools abroad, accommodation costs during the university period, etc.).

HOUSEHOLDS/PRIVATE CLIENTS AND ONE-MAN BUSINESSES/SELF-EMPLOYED/CRAFTSMEN

III. Cambia&ricarica – any purpose personal loan for debt consolidation designed to pay off or replace existing loans opened with one or more Banks. It also allows additional cash.

BUSINESSES/SMALL ENTERPRISES

IV. Support employment: lending to support additional staff hiring (this product is about to be offered by the entire Group).

V. Exclusive: business lending designed to promote female entrepreneurship.

VI. Business start-up loans: unsecured loan aimed at supporting initial investments necessary to start-up a business and/or newly established enterprises which have been operational for less than 12 months (this product will be extended to the entire group).

VII. Funds for enterprises in crisis to face damages caused by natural disasters.

Please describe the target (*maximum 5 lines*):

I – immigrants

II – young adults

III – households/private and business clients/self-employed/craftsmen

IV, V, VI and VII – businesses/small businesses

Reasons supporting the development of the initiative (*describe briefly the two main reasons – maximum 5 lines*):

IMMIGRANTS

- the number of immigrants will increase in the next few years
- helping immigrants in paying for the expenses associated with the purchase of their home

YOUNG ADULTS

- they represent an important market segment for the Banking group
- helping young adults in paying for the expenses associated with their education and other activities

HOUSEHOLDS/PRIVATE AND BUSINESS CLIENTS/SELF-EMPLOYED/CRAFTSMEN

- simplifying and reducing fees due by clients
- allowing additional cash

BUSINESSES/SMALL ENTERPRISES

- supporting small enterprises located in the area where the Banks of the group operate (start-up businesses, female entrepreneurship, enterprises recruiting staff or located in areas damaged by natural disasters...)

Difficulties in developing the initiative (*describe briefly the two main difficulties encountered – maximum 5 lines*)

Not available

Achievements (*for example, number/type of beneficiaries and, if available, evolution in the last two or three years – maximum 5 lines*):

Not available

CURRENT ACCOUNT AND PAYMENT SERVICES - Please describe the main characteristics of the offered service (*maximum 5 lines*):

IMMIGRANTS

I. Friend Account Formula: fixed cost current account allowing unlimited number of transactions,

<p>designed for immigrants</p> <p>II. Friend Twin Account Formula: allows opening twin current accounts, one held at the Italian branch and the other at the branch of the Bank located in the country of origin. They accounts are connected through the Group Contact Centre (available in Romania and Morocco as a result of the agreement signed with Groupe Société Générale)</p> <p>III. Cuenta Conmigo – fixed cost current account allowing unlimited number of transactions, designed for Hispanic clients residing in Italy (this product is currently available only at the branches of the Bank located in Liguria region)</p> <p>YOUNG ADULTS</p> <p>IV. Current accounts for young adults: offering reserved to young people is currently under review as the BP Group intends harmonizing product offering by the individual Banks of the group. The new offering will take into account the needs of the different age groups ranging from 0 to 36 years (existing best practices will be adopted by all Banks of the group)</p> <p>V. Agorà Card – rechargeable prepaid card, offered in cooperation with the Italian Council of Catholic Archbishops and Bishops (Consiglio Episcopale Italiano), in support of Italian youth gatherings</p>
<p>Please describe the target (<i>maximum 5 lines</i>):</p> <p>I, II, III – Immigrants</p> <p>IV and V – Young adults</p>
<p>Reasons supporting the development of the initiative (<i>describe briefly the two main reasons – maximum 5 lines</i>):</p> <p>IMMIGRANTS</p> <ul style="list-style-type: none"> ▪ the number of immigrants will increase in the next few years ▪ specific needs of immigrants <p>YOUNG ADULTS</p> <ul style="list-style-type: none"> ▪ they represent an important market segment for the Banking group ▪ specific needs of young adults distinguished by age brackets
<p>Difficulties in developing the initiative (<i>describe briefly the two main difficulties encountered – maximum 5 lines</i>):</p> <p>IMMIGRANTS</p> <ul style="list-style-type: none"> ▪ understanding specific needs of immigrants, in relation with the ethnic group they belong to <p>YOUNG ADULTS</p> <ul style="list-style-type: none"> ▪ understanding specific needs of young adults distinguished by age brackets
<p>Achievements (for example, number/type of beneficiaries and, if available, evolution in the last two or three years – maximum 5 lines):</p> <p>IMMIGRANTS</p> <ul style="list-style-type: none"> ▪ 79,778 account holders (in October 2007)
<p>Commercial practices in the community (for example, a dedicated network, specialized counters, branch location, etc.)</p>
<p>Main characteristics of the services (<i>please list maximum 3 services and describe them – maximum 10 lines</i>)</p> <p>IMMIGRANTS</p> <ul style="list-style-type: none"> ▪ a branch opened in Verona and located in the area characterized by large foreign communities; the branch employs staff of various nationalities representing the largest ethnic groups in the area; ▪ new branches are about to open in other cities; the group is considering employing foreign staff at the branches located in the areas characterized by the presence of large foreign communities.
<p>Please describe the target (<i>maximum 5 lines</i>):</p>

Immigrants
Reasons supporting the development of the initiative <i>(describe briefly the two main reasons – maximum 5 lines)</i> : <ul style="list-style-type: none"> ▪ raising awareness of immigrants’ specific needs, by employing various languages and staff of various nationalities/ethnic groups
Difficulties in developing the initiative <i>(describe briefly the two main difficulties encountered – maximum 5 lines)</i> <ul style="list-style-type: none"> ▪ qualified foreign staff is not easy to find
Outcome <i>(for example, number/type of beneficiaries and, if available, evolution in the last two or three years – maximum 5 lines)</i> : <ul style="list-style-type: none"> ▪ immigrants represent 80% of clients of the Verona branch

Dedicated structures (for example, a dedicated Bank , a specialized finance company, etc)
Main characteristics of the projects <i>(please list maximum 3 projects and describe them – maximum 10 lines)</i> IMMIGRANTS <ul style="list-style-type: none"> ▪ the group is planning to establish a business team to test products with respect to the largest foreign communities residing in Italy (Romanian and Moroccan)
Please describe the target <i>(maximum 5 lines)</i> : <ul style="list-style-type: none"> ▪ immigrants
Reasons supporting the development of the initiative <i>(describe briefly the two main reasons – maximum 5 lines)</i> : <ul style="list-style-type: none"> ▪ facilitating integration of foreign customers by means of better understanding their specific needs
Difficulties in developing the initiative <i>(describe briefly the two main difficulties encountered – maximum 5 lines)</i> <ul style="list-style-type: none"> ▪ recruiting non-Italian staff with adequate skills and expertise
Achievements <i>(for example, number/type of beneficiaries and, if available, evolution in the last two or three years – maximum 5 lines)</i> : <ul style="list-style-type: none"> ▪ not available

Financial Education (for example, classroom courses, websites; information material, etc)
Main characteristics of the initiative <i>(please list maximum 3 initiatives and describe them – maximum 10 lines)</i> : <ul style="list-style-type: none"> ▪ Working in cooperation with universities to promote financial education of young adults, in connection with the agreements developed with consumer associations ▪ Translating information material regarding products/services designed for foreign customers (material regarding the Friend Service Formula will be translated into 12 different languages, while material regarding the Friend Twin Account Formula will be in Italian and in the language of the other account country) ▪ Preparing information material to use at the branches, also in cooperation with entities tasked with this activity (e.g., Patti Chiari counter)
Please describe the target <i>(maximum 5 lines)</i> : <ul style="list-style-type: none"> ▪ young adults ▪ immigrants ▪ households
Reasons supporting the development of the initiative <i>(describe briefly the two main reasons – maximum 5 lines)</i> :

<ul style="list-style-type: none"> ▪ promoting financial education of young adults and households ▪ improving foreign clients' understanding of how the Group's products work
Difficulties in developing the initiative <i>(describe briefly the two main difficulties encountered – maximum 5 lines)</i> <ul style="list-style-type: none"> ▪ not available
Achievements <i>(for example, number/type of beneficiaries and, if available, evolution in the last two or three years – maximum 5 lines):</i> <ul style="list-style-type: none"> ▪ under evaluation

Partnerships with entities other than Banks (for example, department involved, criteria used to select the partner organization; goals/work schedule, etc.)
Main characteristics of the initiative <i>(please list maximum 3 initiatives and describe them – maximum 10 lines):</i> BUSINESSES/SMALL ENTERPRISES I. Agreements with credit guarantee consortia: agreements with principal credit guarantee consortia operating in the area where the BP Group operates (about 300 consortia). The agreements provide financial support to projects launched by enterprises members of a credit guarantee consortium (for example, creation of new business, new position of the enterprise on the market, restructuring of enterprises in debt crisis, expansion in certain areas...) II. Support to national, European or regional regulations providing for special funds. The BP Group supports many laws providing for preferential treatment. The Group provides assistance to businesses seeking special funds to make sure that they have access to such funds. In this field, the Group also cooperates with various municipalities (for example, it cooperates with the Lodi municipality to promote women's entrepreneurship) IMMIGRANTS III. Cooperation with the Romanian and Pakistanis Consulates
Please describe the target <i>(maximum 5 lines):</i> I. Businesses - small enterprises II. immigrants
Reasons supporting the development of the initiative <i>(describe briefly the two main reasons – maximum 5 lines):</i> BUSINESSES/SMALL ENTERPRISES <ul style="list-style-type: none"> ▪ facilitating their access to credit working in cooperation with credit guarantee consortia and by means of special funds. IMMIGRANTS <ul style="list-style-type: none"> ▪ facilitating dialogue and knowledge of foreign clients
Difficulties in developing the initiative <i>(describe briefly the two main difficulties encountered – maximum 5 lines)</i> <ul style="list-style-type: none"> ▪ not available
Achievements <i>(for example, number/type of beneficiaries and, if available, evolution in the last two or three years – maximum 5 lines):</i> BUSINESSES/SMALL ENTERPRISES <ul style="list-style-type: none"> ▪ About 30% of unsecured loans granted by the BP Group to small businesses have been given in cooperation and through the intermediation of entities acting as guarantors (e.g., credit guarantee consortia, European Community, the Italian State, Italian Regions...)

CARIGE – Gruppo bancario

Microfinance services (for example, savings, credit, current accounts and payment services)

SAVINGS – Please describe the main characteristics of the offered service (*maximum 5 lines*):
Savings schemes starting from €50 monthly payments, which are currently exempted from any charges for collecting monthly payments

Please describe the target (*maximum 5 lines*):
Non-Italian citizens legally residing in Italy

Reasons supporting the development of the initiative (*describe briefly the two main reasons – maximum 5 lines*):
Successful integration of foreigners in society and in the financial system as well as increasing their usage of Banking products/services (“Bankarization”)

Difficulties in developing the initiative (*describe briefly the two main difficulties encountered – maximum 5 lines*):
None

Achievements (*for example, number/type of beneficiaries and, if available, evolution in the last two or three years – maximum 5 lines*):
About 15,000 foreign customers involved

CREDIT - Please describe the main characteristics of the offered service (*maximum 5 lines*):
Personal loans granted by the Carige Group allowing a 50% reduction of application fees and reduction of interest rate by half point

Please describe the target (*maximum 5 lines*):
Non-Italian citizens legally residing in Italy

Reasons supporting the development of the initiative (*describe briefly the two main reasons – maximum 5 lines*):
Successful integration of foreigners in society and in the financial system as well as increasing their usage of Banking products/services (“Bankarization”)

Difficulties in developing the initiative (*describe briefly the two main difficulties encountered – maximum 5 lines*):
None

Achievements (*for example, number/type of beneficiaries and, if available, evolution in the last two or three years – maximum 5 lines*):
About 15,000 foreign customers involved

CURRENT ACCOUNTS AND PAYMENT SERVICES - Please describe the main characteristics of the offered service (*maximum 5 lines*):
“Carige senza Confing” is designed for foreigners legally residing in Italy. The product includes the usual basic Banking services associated with a current account (prepaid cards, possibility to credit an account with salary or pension income, payment of bills, money transfers, information on balance and transactions). There are three types of this product (“concrete”, “practical”, “comfortable”), which involve different monthly fee regime in relation with the services offered. Costs are fixed, i.e., do not vary, in the first two years after the opening of the account.

Please describe the target (*maximum 5 lines*):
Non-Italian citizens legally residing in Italy

Reasons supporting the development of the initiative (*describe briefly the two main reasons – maximum 5 lines*):

Considering that the Banking business is a “substitutive business”, the Bank believes that the target described represents the only “new” clients ¹
Difficulties in developing the initiative (<i>describe briefly the two main difficulties encountered – maximum 5 lines</i>) None
Achievements (<i>for example, number/type of beneficiaries and, if available, evolution in the last two or three years – maximum 5 lines</i>): As of today, 16,000 foreign clients subscribed to the offer. 40% of them are subdivided into the top four nationalities: Ecuadorian (16.75%), Romanian (10.37%), Moroccan (10.12%) and Albanian (9.56%)

- (1) The words “substitutive business” indicate that a current account is a widely offered product, therefore the only way for a Bank to open a new current account is generally to “steal” a client from competitors (substitutive business); the only exception concerns non-EU nationals as they are less “Bancarized” and as it often happens, open current accounts in the name of individuals that did not have it before. This means that the target under examination can be considered as “new” clients, while the opening of a new current account is generally the result of a client transferring from another Bank (substitution).

Commercial practices in the community (for example, a dedicated network, specialized counters, branch location, etc.)
Main characteristics of the services (<i>please list maximum 3 services and describe them – maximum 10 lines</i>) All the branches offer the services describe above. Number 75 branch (Via Gramsci) in Genoa, located in the area in front of the harbour, is highly specialized in the relationships with non-EU clients as it has staff speaking Arabic. The branch has therefore developed a special focus and experience in the field. Due to their special location, in the downtown of Genoa, other branches play an important role in building successful relations with foreign clients and are gaining experience in this field.
Please describe the target (<i>maximum 5 lines</i>): Non-Italian citizens legally residing in Italy
Reasons supporting the development of the initiative (<i>describe briefly the two main reasons – maximum 5 lines</i>): a model of structured service better penetration in the sub-segment
Difficulties in developing the initiative (<i>describe briefly the two main difficulties encountered – maximum 5 lines</i>) limited number of clients to develop
Outcome (<i>for example, number/type of beneficiaries and, if available, evolution in the last two or three years – maximum 5 lines</i>): beneficiaries are approximately the same beneficiaries of the “Carige senza Confini” offering

Dedicated structures (for example, a dedicated Bank , a specialized finance company, etc)
Main characteristics of the projects (<i>please list maximum 3 projects and describe them – maximum 10 lines</i>) The services offered by the number 75 branch in Genoa are mainly designed for foreigners. As the branch employs personnel speaking Arabic, it can be considered a dedicated branch
Please describe the target (<i>maximum 5 lines</i>): non-Italian citizens legally residing in Italy
Reasons supporting the development of the initiative (<i>describe briefly the two main reasons – maximum 5</i>

<i>lines):</i> a model of structured service: in the absence of a dedicated Bank or finance company, the aim is to structure the service by choosing good location of counters and specialized consulting services better penetration in the sub-segment
Difficulties in developing the initiative (<i>describe briefly the two main difficulties encountered – maximum 5 lines</i>) none
Achievements (<i>for example, number/type of beneficiaries and, if available, evolution in the last two or three years – maximum 5 lines</i>): beneficiaries are approximately the same beneficiaries of the “Carige senza Confini” offering

Financial Education (for example, classroom courses, websites; information material, etc)
Main characteristics of the initiative (<i>please list maximum 3 initiatives and describe them – maximum 10 lines</i>): Communication material for the “Carige senza Confini offer at each sales point Structured offering in Liguria, through regular press articles published in the newspapers of the Latin American community
Please describe the target (<i>maximum 5 lines</i>): non-Italian citizens legally residing in Italy
Reasons supporting the development of the initiative (<i>describe briefly the two main reasons – maximum 5 lines</i>): Successful integration of foreigners in society and in the financial system as well as increasing their usage of Banking products/services (“Bankarization”)
Difficulties in developing the initiative (<i>describe briefly the two main difficulties encountered – maximum 5 lines</i>) None
Achievements (<i>for example, number/type of beneficiaries and, if available, evolution in the last two or three years – maximum 5 lines</i>): Beneficiaries are approximately the same beneficiaries of the “Carige senza Confini” offering

Partnerships with entities other than Banks (for example, department involved, criteria used to select the partner organization; goals/work schedule, etc.)
Main characteristics of the initiative (<i>please list maximum 3 initiatives and describe them – maximum 10 lines</i>): Partnership activities are limited to relations with newspapers and journals aimed at financial education (see previous section), with the essential participation of the Bank marketing structures
Please describe the target (<i>maximum 5 lines</i>): non-Italian citizens legally residing in Italy
Reasons supporting the development of the initiative (<i>describe briefly the two main reasons – maximum 5 lines</i>): Successful integration of foreigners in society and in the financial system as well as increasing their usage of Banking products/services (“Bankarization”)
Difficulties in developing the initiative (<i>describe briefly the two main difficulties encountered – maximum 5 lines</i>) None
Achievements (<i>for example, number/type of beneficiaries and, if available, evolution in the last two or three years – maximum 5 lines</i>): Beneficiaries are approximately the same beneficiaries of the “Carige senza Confini” offering

CASSA DI RISPARMIO DI PARMA E PIACENZA SPA
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Microfinance services (for example, savings, credit, current accounts and payment services)
CURRENT ACCOUNTS AND PAYMENT SERVICES CONTO TUTTOCOMPRESO SVILUPPO: completely free for the first 12 months after the opening as well as with respect to principal associated services (e.g., Online Banking)
Please describe the target Individuals that have started up a new business
Reasons supporting the development of the initiative Supporting self-employment. In the start-up phase, new businesses must cope with various fixed costs, payment of which cannot be delayed. With this current account, for the first 12 months of activity, the principal Banking services are provided by Cariparma for free
Difficulties in developing the initiative (<i>describe briefly the two main difficulties encountered – maximum 5 lines</i>) None
Achievements (<i>for example, number/type of beneficiaries and, if available, evolution in the last two or three years – maximum 5 lines</i>): The service was introduced in January 2007. At the end of March 2008, there were about 3,500 current accounts (note: the same product is used for acquiring new clients and business opportunities)
Financial Education
CONTO TUTTOCOMPRESO SVILUPPO: the sales network is periodically informed of this product, during the days dedicated to training activities

CREDIT - main characteristics of the offered service Product name: CREDITO SULLA FIDUCIA Zero rate loans. Minimum amount: €1,000, maximum amount €10,000 – maximum repayment term 48 months Purpose: expenses for accommodation, moving, furniture, medical assistance, education, unforeseen events, self-supporting, difficulties caused by disaggregating family Supporting Partners: Parma municipality, Cariparma Foundation and Cariparma Bank
Please describe the target Households and young adults residing in the Parma municipal area
Reasons for development Supporting households and/or young adults The initiative aims at offering citizens unable to cope with managing their daily expenses due to unforeseeable and/or temporary needs. This product is not intended as a welfare assistance service
Difficulties in developing the initiative Defining the roles and competences (tasks) of the various supporters of the initiative, the Bank and local authorities
Outcome More than 100 loans amounting to €500,000
Commercial practices in the community (for example, a dedicated network, specialized counters, branch location, etc.)
Characteristics of services CREDITO SULLA FIDUCIA Sales network : CariParma branches and Piacenza SPA
Dedicated structures (for example, a dedicated Bank , a specialized finance company, etc)
Characteristics of services CREDITO SULLA FIDUCIA

Normally a single Cariparma branch located in the area of the municipality participating in the initiative handles the entire process to request this service (request for a loan, authorization, approval and disbursement)
Financial Education (for example, classroom course, websites, information material, etc)
Characteristics of services CREDITO SULLA FIDUCIA The municipal administration takes on publicizing the initiative among citizens (constructive advertising)
Partnerships with entities other than Banks (for example, department involved, criteria used to select the partner organization; goals/work schedule, etc.)
Characteristics of services CREDITO SULLA FIDUCIA Supporting Partners: Local authorities and/or foundations in addition to Cariparma. In Cariparma there is an office dedicated to studying/developing projects, such as “Credito sulla Fiducia”

CREDIT - characteristics of offered services Product name: FONDO SOSTEGNO PRIMA CASA This is a Guarantee Fund for HOME LOANS taken out to buy a home located in the provincial area. The Fund is aimed at protecting customers against occasional non-payment
Please describe the target Young couples, workers with flexible employment contracts, single parent household. Maximum age: 35 years
Reasons supporting development The initiative aims at helping more disadvantaged social groups, such as young couples, workers without a stable employment and single parent households, in buying a home
Difficulties in developing the initiative Defining the roles and competences (tasks) of the various supporters: Banca Cariparma, Parma provincial administration and Cariparma Foundation
Achievements 20 home loans were granted in 2007
Commercial practices in the community (for example, a dedicated network, specialized counters, branch location, etc.)
Characteristics of services FONDO SOSTEGNO PRIMA CASA The provincial administration published a call for application Cariparma commercial network
Dedicated structures (for example, a dedicated Bank, a specialized finance company, etc)
Characteristics of services FONDO SOSTEGNO PRIMA CASA Granting home loans is one of the activities normally carried out by the Bank
Financial Education (for example, classroom courses, websites; information material, etc)
Characteristics of services FONDO SOSTEGNO PRIMA CASA The provincial administration takes on publicizing the initiative by means of advertising material and the publication of a call for applications
Partnerships with entities other than Banks (for example, department involved, criteria used to select the partner organization; goals/work schedule, etc.)
Characteristics of services FONDO SOSTEGNO PRIMA CASA Supporting Partners: Parma provincial administration, Cariparma Foundation

<p>SAVINGS – characteristics of the offered service</p> <p>LINEA VYP</p> <p>With the aim of educating young adults to appreciate [the value of] savings, the Bank launched an investment plan that allows the accumulation of certain amount of capital over the time. The accumulation plan is a sort of moneybox by which savers can use, in future, the capital that they have gradually accumulated. Savings can also be used to face future expenses or specific needs of the targeted people. Other advantageous facilities have been added to the product.</p>
<p>Please describe the target (<i>maximum 5 lines</i>):</p> <p>All VYP clients aged 18-28. In particular, the product fits people with a regular income that therefore have the possibility/availability to save a portion of their income consistently.</p>
<p>Reasons supporting the development of the initiative</p> <ul style="list-style-type: none"> • educating young adults to appreciate the value and importance of savings, fostering loyalty to the Bank • supporting young people’s needs and helping them in managing their initial savings and salaries
<p>Difficulties in developing the initiative (<i>describe briefly the two main difficulties encountered – maximum 5 lines</i>)</p> <p>Often young adults, particularly those between 18 and 35 years old, cannot commit themselves with an investment plan as without a regular monthly salary they don’t have cash to put aside</p>

<p>CREDIT - characteristics of the offered service</p> <p>LINEA VYP</p> <p>The offering for young people includes a loan and a “dedicated” home loan to buy a home at advantageous conditions compared with the generic consumer credit line and the standard home loans to buy a home. This products intends to help young customers in paying for their education and buying a home</p>
<p>Please describe the target</p> <p>All VYP account holders. The VYP home loan is designed for young adults not older than 30 years</p>
<p>Reasons for developing the initiative</p> <ul style="list-style-type: none"> • reasonable costs, helping young customers (who increasingly request loans) • fostering customers’ loyalty
<p>Difficulties in developing the initiative</p> <p>No difficulties emerged</p>
<p>CURRENT ACCOUNTS AND PAYMENT SERVICES - characteristics of the offered service</p> <p>LINEA VYP</p> <p>The current account is designed for young adults between 18 and 28 years. Fees include Banking products for cash management, information service and online usage, as well subscription to other products (credit card, prepaid card) at preferential terms. The product also offers extra-Banking services and benefits</p>
<p>Please describe target</p> <p>Young adults between 18 and 28 years, being either students or workers</p>
<p>Reasons supporting the initiative</p> <ul style="list-style-type: none"> • it was necessary to adapt our products so to offer a price/service ratio in line with the needs and ability to pay of young customers • constituting an important customer base
<p>Difficulties in developing the initiative</p>

Expansion of this product among young adults strongly depends on their parents' choices and instructions, especially for young people aged 18-25, who often do not need a current account. Better results achieved with respect to young adults up to 28 years, who manage their finances by themselves
Achievements The number of clients is constantly increasing over the time. More than 35,000 current accounts have been opened to date.
Commercial practices in the community (for example, a dedicated network, specialized counters, branch location, etc.)
Characteristics of services LINEA VYP The Bank appointed a VYP contact person for each branch. The VYP contact person constantly receives updates on the current account and all the new offerings, promotions, products designed for young adults. He is tasked with acquiring new clients, keeping and assisting existing clients. In addition, the territorial areas have a VYP content person for each area, who assists the various VYP managers of the branches located in the relevant area.
Please describe the target In the branches where it is possible, the VYP manager is of the same age of the target, i.e., between 18 and 28 years old
Reasons supporting the development of the initiative - providing young customers with a single contact person, who is "able to speak the same language" and to answer all their questions about the VYP products - VYP managers serve as contact persons for internal departments concerning all the VYP initiatives
Financial Education (for example, classroom courses, websites; information material, etc)
Characteristics of services LINEA VYP - outwards – the www.vypclub.it website provides information about the Banking and extra-Banking VYP offer, a Welcome Package sent to all new VYP clients, a newsletter with brief information about various issues (including financial issues) - inwards – periodical updating meetings about VYP offering and promotional/advertising initiatives
Please describe the target - outwards, clients and prospective clients - inwards, VYP managers
Reasons supporting the development of the initiative - helping young people to understand the Banking sector, which they consider rather tough and obscure - educating young people to appreciate saving money and successfully manage their finances
Difficulties in developing the initiative Explaining a complex issue using straightforward language
5. Partnerships with entities other than Banks (for example, department involved, criteria used to select the partner organization; goals/work schedule, etc.)
Characteristics of services LINEA VYP VYP young customers belong to a community, the VYP Club, which communicates with the Bank through a dedicated website, newsletters and text messages this community is entitled to discounts in several places (for example, discounts on fuel at ERG Points, on play stations and games for play stations, etc.). Our partners help us in managing this community mainly in these three ways: 1. maintaining and updating of the website designed for the community 2. managing benefits/discounts (identifying and keeping providers of benefit) 3. managing online communications from/to the targeted people
Reasons supporting the development of the initiative - offering targeted people benefits beyond usual Banking offerings

- communicating with targeted people by using the means they prefer and use the most
Achievements (for example, number/type of beneficiaries and, if available, evolution in the last two or three years – maximum 5 lines): We are able to reach 95% of VYP clients through at least one of the digital means, mobile phone and e-mail
Describe further financial inclusion initiatives carried out by the Bank LINEA VYP Through the VYP community, the VYP Club, young customers are invited to actively contribute to develop the Banking offer: for example, surveys to know the needs of targeted people and how they use the benefits, Member Get Member initiatives, etc.
SAVINGS – characteristics of the offered service: SISTEMA WELCOME At the moment the Bank does not offer any specific products beyond the standard offering illustrated in the catalogue
CREDIT - characteristics of the offered service: SISTEMA WELCOME In order to facilitate disbursement of loans to immigrant customers, the Bank launched a specific consumer credit product: cheaper than the standard product and also available to workers on fixed-term employment. Immigrants are mostly affected by labour market flexibility, which contributes in making them more careful about prices
Please describe the target: All clients holding a Cariparma Welcome (current account designed for immigrants - see point 1.c) to buy a car, motorbike, etc. Applicants must act for purposes other than professional and/or entrepreneurial
Reasons supporting the development of the initiative: <ul style="list-style-type: none"> • cheaper than the standard product; • also available to workers with fixed-term employment.
Difficulties in developing the initiative: <ul style="list-style-type: none"> • not all immigrants hold a Cariparma Welcome current account; • the relationship between Cariparma and immigrant clients on the average is more recent than the relationship between Cariparma and the average clients. This negatively affects the possibility for their requests to be approved.
Achievements: <ul style="list-style-type: none"> • + 105% stock personal loans in the framework of Cariparma Welcome initiative granted in 2007 in comparison with 2005.
CURRENT ACCOUNTS AND PAYMENTS SERVICES – characteristics of the offered service: SISTEMA WELCOME In order to facilitate financial inclusion of immigrants by increasing their usage of Banking products (“bancarization”), the Bank made a dedicated current account offer aimed at satisfying targeted people’s needs: management of remittances, affordability and projection.
Please describe the target: All foreign citizens residing in Italy and holding a regular residence permit (card) for the management of their personal needs
Reasons supporting the development of the initiative: <ul style="list-style-type: none"> • discounted rates are applied to the management of remittances by significantly reducing the fees for this service; • discounted rates are applied to the management of current accounts and cash; • a free damage insurance is offered to targeted people to protect the insured and his/her family against expenses due to some of the events mostly impacting them (transportation of a family

<p>member in the event of insured's hospitalization, repatriation in case of death of a family member, repatriation of remains, etc.);</p>
<p>Difficulties in developing the initiative: There is no specific prepaid card to manage remittances that allows faster money transfers</p>
<p>Achievements:</p> <ul style="list-style-type: none"> +114% stock current accounts in the framework of the Cariparma Welcome initiative in 2007 in comparison with 2005
<p>Commercial practices in the community (for example, a dedicated network, specialized counters, branch location, etc.) SISTEMA WELCOME</p> <ul style="list-style-type: none"> translation of promotional and information material as well as material on the relevant rules and regulations; implementation of commercial initiatives aimed at publicizing our products designed for foreign citizens with the aim of fostering financial inclusion
<p>Characteristics of services:</p> <ul style="list-style-type: none"> information material about the product has been translated into 10 foreign languages (Albanian, Arabic, French English, Portuguese, Punjabi, Romanian, Spanish, Ukrainian and Urdu language) and is now available online (in the section dedicated to Cariparma Welcome at www.cariparma.it) and at the branch, contained in four different binders. the following material is also available for clients in Arabic, French, English and Romanian: <ul style="list-style-type: none"> - the "Vademecum per gli stranieri" guidebook providing information on the legislation in force governing documents and formalities related to immigrants' legal stay in Italy; - the "condizioni generali e speciali" booklet about general and special terms of deposit, current accounts, ATM card. the Bank annually launches initiatives with prizes "to reward" Cariparma Welcome clients that "bring-in" new clients
<p>Please describe the target</p> <ul style="list-style-type: none"> translation of promotional material, ...: immigrants that hardly understand Italian language. Language barriers hinder financial inclusion. "member get member" commercial initiatives: all Cariparma Welcome clients. "Spreading the word" is a strong common practice among immigrants and represents an effective way to widely spread information
<p>Reasons supporting the development of the initiative</p> <ul style="list-style-type: none"> removing eventual language barriers; possible consultation of promotional material; stimulating the practice of "spreading the word" by rewarding both existing and "new" clients.
<p>Difficulties in developing the initiative</p> <ul style="list-style-type: none"> Lack of a multilanguage call centre to process over-the-phone requests for information
<p>Achievements</p> <ul style="list-style-type: none"> The number of foreign clients continuously increases at a rate higher than expected.
<p>Dedicated structures (for example, a dedicated Bank , a specialized finance company, etc)</p>
<p>Characteristics of services SISTEMA WELCOME There is no dedicated Bank (with dedicated trademark) or specialized finance company at the moment.</p>
<p>Financial Education (for example, classroom courses, websites; information material, etc)</p>
<p>Characteristics of services: SISTEMA WELCOME</p>

<ul style="list-style-type: none"> • training courses about basic products include training on the issues relevant to immigrants.
Please describe the target All newly hired colleagues at Cariparma
Reasons supporting the development of the initiative: <ul style="list-style-type: none"> • focusing on immigrants as it is a strategic segment for the future of the Bank ; • during classroom courses, explaining in detail how the dedicated offering works.
Difficulties in developing the initiative: None
Achievements: <ul style="list-style-type: none"> • The number of foreign clients continuously increases at a rate higher than expected.
Other:
Describe further financial inclusion experiences carried out by the Bank SISTEMA WELCOME In order to promote the products and services designed for the immigrants, the so-called Cariparma Welcome, the Bank annually implements a specific mass media plan, which includes taking advertising spaces in some ethnic media. The target is composed of immigrants reading ethnic press; in fact many of them, regardless of any language barriers, are still more interested in reading about what is going on in their country of origin than in Italy Over time, advertising through ethnic press proved to be an effective communication tool with immigrants. This is also proved by the results that Cariparma obtained with this segment of the population and the increasing request for advertising spaces by Banks.

CASSA DI RISPARMIO DI VOLTERRA SPA

Microfinance services (e.g. savings, credit, current accounts and payment services)
CREDIT - Please describe the main characteristics of the offered service (<i>maximum 5 lines</i>): Commercial offering is composed of various products mainly backed by guarantees offered by consortia, in some cases, through public funds.
Please describe the target (<i>maximum 5 lines</i>): The current offering of specific products is designed for micro-enterprises, one-man businesses (in particular the most disadvantaged businesses for being located in less developed regions (municipalities in the mountains) and - in the non-profit sector - for charitable associations.
Reasons supporting the development of the initiative (<i>describe briefly the two main reasons – maximum 5 lines</i>): Strengthening the ties with the community and, concerning non-profit organizations, also the opportunity to qualify as a special channel to direct or pay in advance contributions.
Difficulties in developing the initiative (<i>describe briefly the two main difficulties encountered – maximum 5 lines</i>) Difficulties in obtaining adequate guarantees.
Achievements (<i>for example, number/type of beneficiaries and, if available, evolution in the last two or three years – maximum 5 lines</i>): Request and placement of products is generally very limited and restricted to particularly disadvantaged regions, particularly the consortiums of municipalities in mountain areas. At the moment, we can mention somewhat interesting results (24 transactions globally amounting to €240,000 homogeneously distributed during the past three years), only for unsecured loans based on honour granted to young adults who want to start-up a business.

CURRENT ACCOUNT AND PAYMENT SERVICES - Please describe the main characteristics of the offered service (<i>maximum 5 lines</i>): Current accounts: “GIUSTO”, “FLAMINGO”, “IL TUO CONTO”
Please describe the target (<i>maximum 5 lines</i>): IMMIGRANTS, DISABLED PEOPLE, LOW INCOME HOUSEHOLDS, WORKERS ON FIXED-TERM EMPLOYMENT (ATYPICAL WORKERS)
Reasons supporting the development of the initiative (<i>describe briefly the two main reasons – maximum 5 lines</i>): OFFERING OF PRODUCTS THAT ARE EASY TO MANAGE, WHICH INCLUDE BASIC SERVICES AND PAYMENT SERVICES, AT REDUCED COSTS AND WITHOUT TIME CONSTRAINTS
Difficulties in developing the initiative (<i>describe briefly the two main difficulties encountered – maximum 5 lines</i>)
Achievements (<i>for example, number/type of beneficiaries and, if available, evolution in the last two or three years – maximum 5 lines</i>): DATA AS OF MARCH 31, 2008: “GIUSTO” (HOUSEHOLDS, ATYPICAL WORKERS): 2,200 current accounts opened in one year; “FLAMINGO” (IMMIGRANTS): 179 current accounts opened in three years; “IL TUO CONTO” (DESABLED PEOPLE): 24 current accounts opened in four years.

BANCA/GRUPPO: Intesa Sanpaolo

Microfinance services (e.g. savings, credit, current accounts and payment services)

SAVINGS - characteristics of the offered services (*maximum 5 lines*):

At the moment, the Bank has not yet launched any specific microfinance services in the field of savings.

Islamic finance products (sukuk) are under consideration in cooperation with Balex, the Egyptian Bank of the Group.

1.b) CREDIT - Please describe the main characteristics of the offered service (*maximum 5 lines*):

Numerous lending services designed for disadvantaged segments of the population are available. These services are characterized by limited costs (as for expenses related to the management of the account and the interest rates applied), flexible repayments and absence of guarantees. Flexible home loans, loans designed for young people and immigrants, a bridge loan called Bridge specifically for students who have to pay college fees, granted on the basis of solid grades and allowing borrowers to start repayments one year after graduation.

Please describe the target (*maximum 5 lines*):

Segments of customers targeted by the offering are young adults and atypical workers (Italian and foreign) - "Progetto giovani", college students - "Bridge", immigrants planning to start-up a small business - "progetti di microcredito", senior citizens - "cessione del quinto della pensione" (secured loan to be repaid by monthly payments up to a fifth of the monthly pension).

Reasons supporting the development of the initiative (*describe briefly the two main reasons – maximum 5 lines*):

We believe that giving most disadvantaged social groups access to credit is an important mean to ensure social inclusion. Therefore, we set two objectives:

- helping young adults, students and atypical workers in building their future, supporting their plans
- contributing to social integration of immigrants, who are barely Bankarized and with weak social and family support

Achievements (*for example, number/type of beneficiaries and, if available, evolution in the last two or three years – maximum 5 lines*):

"Progetto giovani": in 2007, almost 17,000 loans were granted in total amounting to more than €300 million.

"Bridge": launched in 2003 and used by more than 2,600 students for a total amount of almost € 22 million.

"Progetti di microcredito": since the launch of the projects, 270 loans have been granted for a total amount of about €2.6 million.

"Cessione del quinto" (secured loan to be repaid by monthly payments up to a fifth of the monthly income): since October 2007, more than 11,000 loans have been granted for a total amount of about €120 million.

CURRENT ACCOUNT AND PAYMENT SERVICES - Please describe the main characteristics of the offered service (*maximum 5 lines*):

Commercial offering has been distinguished, with simple and transparent product lines aimed at facilitating access to Banking services also by the most disadvantaged social groups and with limited management costs or, in cases, at no costs. Additional advantages are available for transactions made

with payment cards or through the Internet and phone. Online services and ATM cards associated with current accounts products are offered for free. Offering aimed to transfer funds abroad through GetMoney to Family and the People Family card.
Please describe the target (<i>maximum 5 lines</i>): Targeted people are: young and senior citizens, immigrants and, in general, recently bancarized clients and with basic Banking needs.
Reasons supporting the development of the initiative (<i>describe briefly the two main reasons – maximum 5 lines</i>): The range of products is distinguished according to characteristics and prices in connection with: - providing adequate satisfaction to the needs and behaviour of the different client groups - ensuring access to Banking services to all client groups to facilitate their financial inclusion
Difficulties in developing the initiative (<i>describe briefly the two main difficulties encountered – maximum 5 lines</i>)
Achievements (<i>for example, number/type of beneficiaries and, if available, evolution in the last two or three years – maximum 5 lines</i>): At the end of 2007, the Bank has more than 420,000 immigrant clients. As for current accounts products currently offered: - 130,000 current accounts opened by young adults under 26 (Zerotondo under 26) - 150,000 current accounts opened by clients over 65 (Facile Senior).

Commercial practices in the community (for example, a dedicated network, specialized counters, branch location, etc.)
Main characteristics of the services (<i>please list maximum 3 services and describe them – maximum 10 lines</i>) Multiethnic Point: established at the traditional branches - in the areas with larger non-EU communities - where foreign customers are offered traditional services but by dedicated staff, mainly of the most representative nationalities and able to speak clients' language.
Please describe the target (<i>maximum 5 lines</i>): non-EU customers
Reasons supporting the development of the initiative (<i>describe briefly the two main reasons – maximum 5 lines</i>): Facilitating bancarization of non-EU customers and helping them to overcome initial technical and language difficulties.
Difficulties in developing the initiative (<i>describe briefly the two main difficulties encountered – maximum 5 lines</i>)
Achievements (<i>for example, number/type of beneficiaries and, if available, evolution in the last two or three years – maximum 5 lines</i>): 5 Multiethnic Points are currently operational in Turin, Naples, Venice, Padua and Pescara. The opening of new multiethnic points is under consideration.

Dedicated structures (for example, a dedicated Bank , a specialized finance company, etc)
Main characteristics of the projects (<i>please list maximum 3 projects and describe them – maximum 10 lines</i>) A dedicated Bank , Banca Prossima, was established in November 2007. The Bank is completely dedicated to social corporate and non-profit fields and its <u>statutory aim is to create social value</u> . Banca Prossima intends to ensure that these fields receive the highest level of service and a new ability to develop the best initiatives, often penalized not due to the quality of the projects but because of standard criteria for Banking evaluation. Banca Prossima offers specific products and services, created in cooperation with non-profit organizations and utilizes an innovative rating model based on the

characteristics of social corporations.
<p>Please describe the target (<i>maximum 5 lines</i>):</p> <p>This is a sector characterized by significant growth volumes and potential that in Italy may rely on 250,000 organizations, a turnover amounting to €46 billion, a constant growth rate of 10% in the past 5 years, 4 million operators (voluntary/non-paid and paid) (2.5 million of them are below the age of 40), 2,400, 000 women.</p>
<p>Reasons supporting the development of the initiative (<i>describe briefly the two main reasons – maximum 5 lines</i>):</p> <p>We recognized that the non-profit sector plays an important role for a fair and cohesive social development and intend to provide adequate responses to the needs of non-profit enterprises:</p> <ul style="list-style-type: none"> - further improving quality of services dedicated to targeted people and increasing the range of innovative products and services - establishing or participating in the activities of non-profit organizations aimed at fostering social value and serving the community
<p>Difficulties in developing the initiative (<i>describe briefly the two main difficulties encountered – maximum 5 lines</i>)</p>
<p>Achievements (<i>for example, number/type of beneficiaries and, if available, evolution in the last two or three years – maximum 5 lines</i>):</p> <p>Initial operational months in 2007 should be considered as a technical phase to fine-tune the operational structure. At the end of 2007, clients numbered 468 and they donated more than €5 million, more than €4 million in cash deposits in current account. Loans amounting to €1.3 million were also granted. The business plan expects more than 9,000 clients by the end of 2008.</p>

<p>Financial Education (for example, classroom courses, websites; information material, etc)</p>
<p>Main characteristics of the initiative (<i>please list maximum 3 initiatives and describe them – maximum 10 lines</i>):</p> <p>Financial education initiatives include, among others:</p> <ul style="list-style-type: none"> - in 2007, the Bank organized 93 meetings in the territory on new provisions introduced by new laws on supplementary pension schemes with more than 6,000 participant clients; - the Bank immediately provided information about the new provisions introduced by the MIFID legislation, sending a detailed explanatory letter, the questionnaire for the definition of the financial profile and a complete guide on the directive; - the Bank research centre carries out numerous detailed studies also about the scenarios that are available to clients on the website of the Bank . Every six months, the Bank finalized two versions of a document, one of which is designed for households and the other for small and medium enterprises. This document illustrates macroeconomic and financial markets forecasts to allow clients to make informed_decisions.
<p>Please describe the target (<i>maximum 5 lines</i>):</p> <p>Retail clients and households often appear to be weak in facing new legal provisions and the technicalities of financial services. The Bank provides advice aimed at overcoming the information asymmetry. The Bank also provides businesses with consulting and intermediary services in relation with very complex legal and organizational issues, such as the problems associated with internationalization, access to national and European public funds, development of new technologies.</p>

<p>Partnerships with entities other than Banks (for example, department involved, criteria used to select the partner organization; goals/work schedule, etc.)</p>
<p>Main characteristics of the initiative (<i>please list maximum 3 initiatives and describe them – maximum 10 lines</i>):</p> <p>The Bank implemented numerous partnerships to facilitate access to credit by social enterprises:</p> <ul style="list-style-type: none"> - in 2007, local authorities and non-profit organizations continued to develop their activities, launched

<p>with the contribution of the Bank (PAN - Progetto Asilo Nido/Nursery Project, AL.FA designed for disabled people, Talent Foundation, anti-usury Foundation in Lombardia Region)</p> <ul style="list-style-type: none"> - new projects were launched to help establish networks of social enterprises in favour of disadvantaged and non-disadvantaged groups (credit guarantee consortia for social enterprises, sport activities, tourism with social aims, equitable and sustainable trade) and to develop supplementary <i>welfare</i> services.
<p>Please describe the target (<i>maximum 5 lines</i>):</p> <p>In cooperation with the participating local authorities, the Bank identifies the needs of special segments of the population (immigrants, senior citizens, disabled people, redundant workers on temporary income support, households) and develops dedicated projects, usually tested during a pilot phase at the local level and later extended to the national level. Joint participation of the Bank in the projects and in the structures purposely established allows providing a valuable contribution to the expansion of social enterprises and, in general, of the non-profit sector.</p>
<p>Reasons supporting the development of the initiative (<i>describe briefly the two main reasons – maximum 5 lines</i>):</p> <p>The Bank develops partnerships in support of projects of common interest and with the aim of :</p> <ul style="list-style-type: none"> - supporting the non-profit sector and financial inclusion of weak groups - contributing to the development of supplementary <i>welfare</i> services.
<p>Achievements (<i>for example, number/type of beneficiaries and, if available, evolution in the last two or three years – maximum 5 lines</i>):</p> <p>Since the PAN Nursery project was launched, it helped open 275 nurseries and day care structures attended by 8,000 children and hiring more than 1,800 personnel. To date, almost €3 million lending was granted for the start-up phase and more than €900 to buy furniture.</p> <p>A quality handbook was finalized in the framework of the AL.FA. project. The handbook set high standards for provision of services to guests of residential structures and undertook to launch 100 residential structures (casa famiglia) in the next two years thanks to the financial support of the Banca Prossima.</p> <p>179 projects were launched in the framework of the Talenti Forundation to date, 19 have been completed and 100 are still underway (nursery/day care, college students. services for disabled people, sporting services, social and rehabilitation projects).</p> <p>3 projects were launched in the framework of the Foundation (“Talenti per la Casa” - “Una famiglia dopo famiglia” and “Progetto Accattonaggio”)</p>

Microfinance services (for example, savings, credit, current accounts and payment services)
<p>CREDIT - characteristics of the offered services (<i>maximum 5 lines</i>):</p> <ol style="list-style-type: none"> 1) Home Loans Freedom with the possibility to modify the amount of periodical repayments, repayment term, rate during the loan repayment period without penalties. 2) Solidarity fund for those who request a home loan for the first time to ensure approval of their requests in case of serious disability.
<p>Please describe the target (<i>maximum 5 lines</i>):</p> <ol style="list-style-type: none"> 1) expanded targeted group including individuals buying a home 2) all first time borrowers up to 65 year of ages.
<p>Reasons supporting the development of the initiative (describe briefly the two main reasons – maximum 5 lines):</p> <ol style="list-style-type: none"> 1) flexibility and ability to carefully plan on the basis of own current needs the amount of repayments and repayment term 2) coverage and insurance for the family in case the head wage earner encounters serious problems
<p>Difficulties in developing the initiative (describe briefly the two main difficulties encountered – maximum 5 lines)</p>
<p>Achievements (for example, number/type of beneficiaries and, if available, evolution in the last two or three years – maximum 5 lines):</p>

<p>CURRENT ACCOUNTS AND PAYMENT SERVICES - Please describe the main characteristics of the offered service (<i>maximum 5 lines</i>):</p> <ol style="list-style-type: none"> 1. Standard and XL (Extra-Large) Academy current account. 2. MCU current account allowing loans linked to university grades obtained (Bocconi University in Milan is trying this service). <p>Current accounts for students at reduced or zero cost, credit cards and multifunctional ATM cards, principal transactions on the current account for free (for Academy current accounts, only for transactions online).</p>
<p>Please describe the target (<i>maximum 5 lines</i>):</p> <ol style="list-style-type: none"> 1. and 2. university students.
<p>Reasons supporting the development of the initiative (<i>describe briefly the two main reasons – maximum 5 lines</i>):</p> <ul style="list-style-type: none"> ✓ facilitating access to Banking and financial services by targeted people who may potentially be more interested in these services ✓ knowledge of services and Banking model fitting young people
<p>Difficulties in developing the initiative (<i>describe briefly the two main difficulties encountered – maximum 5 lines</i>)</p>
<p>Achievements (<i>for example, number/type of beneficiaries and, if available, evolution in the last two or three years – maximum 5 lines</i>):</p> <ol style="list-style-type: none"> 2. extension to other universities

Partnerships with entities other than Banks (for example, department involved, criteria used to select the partner organization; goals/work schedule, etc.)
Main characteristics of the initiative (<i>please list maximum 3 initiatives and describe them – maximum 10 lines</i>): In cooperation with Caritas Amrbosiana, its San Bernardino (non-profit) Foundation and the sponsorship of Mediolanum BM Foundation, the Bank intends to try offering a revolving credit line initially in the Milan region to face situation of over indebtedness and prevent usury.
Please describe the target (<i>maximum 5 lines</i>): Households with children (including single parent households) particularly focusing on women with children.
Reasons supporting the development of the initiative (<i>describe briefly the two main reasons – maximum 5 lines</i>): <ul style="list-style-type: none"> ✓ simplified requirements to obtain credit ✓ focus on disadvantaged people who may possibly be vulnerable to illegitimate proposals
Difficulties in developing the initiative (<i>describe briefly the two main difficulties encountered – maximum 5 lines</i>): <ul style="list-style-type: none"> ✓ Adequate number of local structures to extend the project to the national territory
Achievements (<i>for example, number/type of beneficiaries and, if available, evolution in the last two or three years – maximum 5 lines</i>): The project is still underway. In this initial phase, disbursements up to €200,000 are expected.

Other
Describe further initiatives in the field of financial inclusion (<i>maximum 10 lines</i>): Within the Mediolanum Group (the Banca Mediolanum belongs to the Group) Mediolanum Foundation, an organization active in social areas operates with the specific aim of supporting and helping disadvantaged children. Mediolanum Foundation in cooperation with important non-profit organizations and other entities supports and promotes initiatives in Italy and abroad in support of children. The project with the most visibility is the “Piccolo Fratello” project that made it possible to implement large projects in Kenya and Haiti, thanks also to generous donations by the clients of the Bank . The project was short-listed for the 2008 Sodalitas award.

Microfinance services (for example, savings, credit, current accounts and payment services)
<p>SAVINGS – Please describe the main characteristics of the offered service (<i>maximum 5 lines</i>):</p> <p>In addition to traditional savings passbooks, available to all clients, children up to 14 years can open a so-called Conto Salvadanaio, a savings passbook at particularly advantageous rates (above the average interest rates, stamp duty paid by the Bank ...)</p> <p>Insurance policy specifically designed for savings are also offered (there is also a special insurance policy for immigrants) allowing capital accumulation by means of deposits (starting from €25 per month), capital protection and minimum guaranteed yield.</p>
<p>Please describe the target (<i>maximum 5 lines</i>):</p> <p>Young adults, immigrants, low-income households.</p>
<p>Reasons supporting the development of the initiative (<i>describe briefly the two main reasons – maximum 5 lines</i>):</p> <p>Assisting “non-standard” clients, combining the business purpose of the Bank with social growth needs of people (right to housing, education, etc.,). In particular, concerning immigrants, the project aims to Bankarize immigrants and enhance the value of their savings through investment in Italy and in the country of origin. The project also aims to create welfare funds for investors and their family members.</p>
<p>Difficulties in developing the initiative (<i>describe briefly the two main difficulties encountered – maximum 5 lines</i>):</p> <p>No difficulties emerge to date. With respect to immigrant clients, there are problems related to language (this is common with respect to all Banking products described below).</p>
<p>Achievements (<i>for example, number/type of beneficiaries and, if available, evolution in the last two or three years – maximum 5 lines</i>):</p> <p>Data not available.</p>
<p>CREDIT - Please describe the main characteristics of the offered service (<i>maximum 5 lines</i>):</p> <p>On-Off Mortgage Loans: mortgage loan designed for atypical workers who want to buy a home. It allows suspending payment in case of temporary problems and automatic reduction of the spread when the worker move from a fixed-term employment contract to an indefinite employment.</p> <p>PRS Diamogli Credito: personal loans for students to finance their education.</p> <p>Prestisenior: senior citizens can obtain mortgage loans secured against their home by means of a 20-year mortgage or a 20-year income to face old age problems with tranquillity and to help their children and other relatives, with the possibility for heirs to “redeem” and therefore preserve family property (this is not possible in the case of encumbered property “NUDA PROPRIETA”).</p> <p>Immigrant clients obtain loans at discounted rates and application expenses reduced by 50%. In addition: two monthly salary advances, personal loans at preferential rates, surety replacing down payment for renting a home at 1% rate, etc.</p> <p>Participation in the Smoat project, risk fund promoted by the Tuscany Region to support micro-enterprises. Loans up to €15,000 have been granted to support new business.</p>
<p>Please describe the target (<i>maximum 5 lines</i>):</p> <p>Atypical workers, students, senior citizens, immigrants, small businesses.</p>
<p>Reasons supporting the development of the initiative (<i>describe briefly the two main reasons – maximum 5 lines</i>):</p> <p>Assisting “non-standard” clients, combining the business purpose of the Bank with social growth needs of people and small businesses (right to housing, education, employment, start-up a business,</p>

etc.,). In particular, concerning immigrants, the protect is aimed at helping implement their plans, including business plans, to favour their social integration and stable settlement in Italy.
Difficulties in developing the initiative (<i>describe briefly the two main difficulties encountered – maximum 5 lines</i>) Communicating the offer
Achievements (<i>for example, number/type of beneficiaries and, if available, evolution in the last two or three years – maximum 5 lines</i>): On-Off Mortgage Loans: about 50 transactions in one year Home loans to immigrants: about 24,000 home loans have been currently granted Smoat: about 20 transactions carried out to date

CURRENT ACCOUNT AND PAYMENT SERVICES - Please describe the main characteristics of the offered service (<i>maximum 5 lines</i>): <u>Current Accounts</u> Banca senza Frontiere: designed for immigrants, allowing reduced expenses and preferential rates for the services associated to the account Servizio Bancario di Base: (initiative sponsored by PattiChiari) Conto “terzo settore”: with blocked fees over two years, including service fees , basic Banking services associated to the current account (operability through internet and phone, prepaid cards, Bank loans for <u>advance on attested contributions</u>) and other advantageous conditions (for example, collection of membership fees and donations) . It is also possible to donate to non-profit entities through <u>standing orders at zero costs</u> . <u>Payment services</u> Spider: prepaid card with fixed fees of only €10; it is not necessary to open a current account, allows almost all types of transactions, cash withdrawal for free, payment of bills. It is also possible to credit transferred funds and the salary and can be used at very low costs for internet and phone services.
Please describe the target (<i>maximum 5 lines</i>): Immigrants, low-income households, young adults, non-profit sector.
Reasons supporting the development of the initiative (<i>describe briefly the two main reasons – maximum 5 lines</i>): Possibility of acquiring new clients.
Difficulties in developing the initiative (<i>describe briefly the two main difficulties encountered – maximum 5 lines</i>) None.
Achievements (<i>for example, number/type of beneficiaries and, if available, evolution in the last two or three years – maximum 5 lines</i>): In 2007, the number of immigrant clients (Area 9 - ABI classification) increased by 11%; more than 80% of them hold a current account. The number of young adults (up to 35 years) increased by 3% in one year.

Commercial practices in the community (for example, a dedicated network, specialized counters, branch location, etc.)
Main characteristics of the services (<i>please list maximum 3 services and describe them – maximum 10 lines</i>) The Bank provides a range of products, called “Fuori Serie” designed for young adults, foreigners, workers with fixed- term employment, including those with an employment associated with a project and ending with the implementation of it. Aim: simplifying the Banking offering to “non-standard” customers to facilitate access to credit and successfully undertake an effective business initiative. In particular, concerning targeted immigrants, business initiative is supported through agreement and accord with foreign correspondent Banks (to annul fees for transferring money and to invest it in the country of origin), relations with entities providing services to immigrants and other stakeholders/partners (embassies, consulates, non-governmental organizations, etc.). In addition,

information material is translated into numerous foreign languages.
Please describe the target (<i>maximum 5 lines</i>): young adults, workers with fixed-term employment, associated with a project and ending with the implementation of it.
Reasons supporting the development of the initiative (<i>describe briefly the two main reasons – maximum 5 lines</i>): Simplifying the Banking offering to “non-standard” customers, with high potential, to facilitate access to credit and successfully undertake an effective business initiative.
Difficulties in developing the initiative (<i>describe briefly the two main difficulties encountered – maximum 5 lines</i>): No difficulties emerge to date. Only immigrant clients encounter language problems and problems in representing stakeholders/partners, financial education.
Outcome (<i>for example, number/type of beneficiaries and, if available, evolution in the last two or three years – maximum 5 lines</i>): See sections above.

Dedicated structures (for example, a dedicated Bank , a specialized finance company, etc)
Main characteristics of the projects (<i>please list maximum 3 projects and describe them – maximum 10 lines</i>): The Bank established a specialized finance company for micro credit initiatives (Microcredito di solidarietà spa). The Bank holds a 40% stake in the finance company, while the remaining stake is held by public institutions, religious entities and associations of volunteers located in Siena. The company grants small loans without collateral. (www.microcreditosolidale.eu)
Please describe the target (<i>maximum 5 lines</i>): Individuals who encounter difficulties in accessing Bank credit through the standard channels.
Reasons supporting the development of the initiative (<i>describe briefly the two main reasons – maximum 5 lines</i>): Sharing social goals with local authorities.
Difficulties in developing the initiative (<i>describe briefly the two main difficulties encountered – maximum 5 lines</i>): Involvement of many players often make it difficult to combine different interests and relevant expectations. It is necessary to build a “network of listeners” within the community. Professionalism and availability of participating resources, who are mainly volunteers.
Achievements (<i>for example, number/type of beneficiaries and, if available, evolution in the last two or three years – maximum 5 lines</i>): The company has been operational in Siena since the end of 2006. It is now expanding its activity to other provinces in Tuscany. 120 loans amounting to almost €450,000 have been granted.

Financial Education (for example, classroom courses, websites; information material, etc)
Main characteristics of the initiative (<i>please list maximum 3 initiatives and describe them – maximum 10 lines</i>): Participation in the relevant Patti Chiari initiatives. Compiling and diffusing, in cooperation with consumer associations (Consumer Lab), a guide about: how to read statements of accounts, what to do before taking up a loan, the new provisions introduced by the MIFID directive and others. Training of branch staff about: consumers’ needs, specific characteristics of immigrant clients.
Please describe the target (<i>maximum 5 lines</i>): Consumers in general, branch staff.
Reasons supporting the development of the initiative (<i>describe briefly the two main reasons – maximum 5</i>

<p><i>lines</i>):</p> <p>Providing information to non-standard clients about the specific Banking offering, to facilitate understanding and access.</p>
<p>Difficulties in developing the initiative (<i>describe briefly the two main difficulties encountered – maximum 5 lines</i>)</p> <p>None.</p>
<p>Achievements (<i>for example, number/type of beneficiaries and, if available, evolution in the last two or three years – maximum 5 lines</i>):</p> <p>Preparing various information guides for consumers. Thousands of branch staff participate in training courses and meetings with consumer associations. An online course designed for immigrants has been developed (1,500 participants in less than a year).</p>
<p>Partnerships with entities other than Banks (for example, department involved, criteria used to select the partner organization; goals/work schedule, etc.)</p>
<p>Main characteristics of the initiative (<i>please list maximum 3 initiatives and describe them – maximum 10 lines</i>):</p> <p>Continuous and constructive cooperation with consumer associations (Consumer Lab) – activity coordinated by CRM (http://www.mps.it/Consumer+lab/). Aim: improving the Bank -customer relations and favouring people's education and financial inclusion. Agreements signed with the most representative organizations and institutions in the field of immigration – activity coordinated by the retail commercial department. Aim: enhancing the savings-remittance- investment circuit. Partnership with institutions for micro credit initiatives – Microcredito di solidarietà spa, Smoat project.</p>
<p>Please describe the target (<i>maximum 5 lines</i>):</p> <p>Consumers in general, immigrants</p>
<p>Reasons supporting the development of the initiative (<i>describe briefly the two main reasons – maximum 5 lines</i>):</p> <p>Improving commercial actions in terms of effectiveness and credibility.</p>
<p>Difficulties in developing the initiative (<i>describe briefly the two main difficulties encountered – maximum 5 lines</i>)</p> <p>High number of potential recipients Developing partnerships and marketing activities in the territory.</p>
<p>Achievements (<i>for example, number/type of beneficiaries and, if available, evolution in the last two or three years – maximum 5 lines</i>):</p> <p>The Bank enhanced its offering and business results (see sections above)</p>

56. Microfinance services (for example, savings, credit, current accounts and payment services)

CREDIT - Please describe the main characteristics of the offered service (*maximum 5 lines*):

1) Prestito Unicredit ad Honorem (loan based on borrower's reputation/honour):

This product was designed for university students to help them in managing their financial needs in connection with specialising University courses.

The loan is disbursed by means of opening of credit for a variable period of time according to the duration of the study program (fruition period), during which borrowers are not required to make payments of loan. At the end of the fruition period, the capital owed, together with accrued interests, represent the amount which will be turned into a personal loan (maximum amounts vary according to various agreements. The maximum amount is currently €45,000).

The loan may be repaid off within a maximum period of 17 years.

Please describe the target (*maximum 5 lines*):

Financing is provided to students applying for a loan within the time indicated by the University/training school participating in the partnership. After being evaluated on the basis of merit requirements set by the University, they qualify for receiving the loan.

The University/training school participating in the partnership makes the decision on who qualifies and who is entitled to receive the UniCredit ad Honorem loan. The University/school gives the student a "presentation letter" to show the branch.

The loan is granted without third-party guarantee, but simply with the attestation of the absence of bad credit history (protests, insolvencies) and without considering the student's income and assets.

Partnership agreements have been signed with the following entities: Bologna University, Università Politecnica in the Marche Region, Verona University, School of Arts and Crafts in Vicenza, Johns Hopkins University, Ferrara University, Alma Graduate School, Modena and Reggio Emilia University, Trento University, Udine University, the University of the Insubria Region, Association of Milan Universities (Collegio delle Università Milanesi), Bari University, ERSU in Ancona, Telecom Italia Learning Services Spa, Piedmont Region Universities (coordinated by COREP).

Reasons supporting the development of the initiative (*describe briefly the two main reasons – maximum 5 lines*):

Assisting university students in coping with financial needs in connection with their education and specializing program.

Difficulties in developing the initiative (*describe briefly the two main difficulties encountered – maximum 5 lines*)

Achievements (*for example, number/type of beneficiaries and, if available, evolution in the last two or three years – maximum 5 lines*):

In the period between March 31, 2006 to September 30, 2008, 343 loans were granted based on the borrower's honour (151 of the loans were granted in the first nine months of the year 2008). These loans amounted more than to €3.4 million.

Characteristics of services (*list in a bullet points and describe maximum 3 services – maximum 10 lines*):

2) Start up

Full package including financial services designed for newly established businesses, with various repayment options: "Franchising", "In proprio" and "In azienda" (lending is backed by a consortium of credit guarantees)

The most chosen option is "In proprio", which provides for:

<ul style="list-style-type: none"> • €35,000 granted in 5 days without guarantees as following: <ul style="list-style-type: none"> ✓ €10,000 to cover short-term needs (cash, invoices, portfolio); ✓ €25,000 leasing(1) for autos and commercial vehicles; ✓ current account with unlimited transactions
Please describe the target (<i>maximum 5 lines</i>): Newly established businesses, which have been operational for a maximum period of 21 months
Reasons supporting the development of the initiative (<i>describe briefly the two main reasons – maximum 5 lines</i>): Supporting newly established businesses in finding initial financial resources necessary to expand and consolidate the new business idea.
Difficulties in developing the initiative (<i>describe briefly the two main difficulties encountered – maximum 5 lines</i>): Start-up businesses equipped with limited assets; consequently, the applicant assumes a limited effective business risk. The Bank may encounter difficulties in evaluating feasibility and economic sustainability of business plans due to scarce information provided by applicant businesses
Achievements (<i>for example, number/type of beneficiaries and, if available, evolution in the last two or three years – maximum 5 lines</i>): In 2007, more than 2,700 applications received and more than € 27 million granted only through the “In Proprio” product.

CURRENT ACCOUNT AND PAYMENT SERVICES - Please describe the main characteristics of the offered service (<i>maximum 5 lines</i>): <u>1. Conto Link Onlus</u> In April 2006, the Group launched the Link Onlus account designed to meet the needs of the non-profit sector. The account allows services simplifying the relationship with the Bank and helping account holders save money on Bank fees. It is the first current account specifically designed for non-profit organizations recognized by law or organizations assimilated to those recognized by law. The current account allows exemption from stamp duty, in line with the special features of the targeted sector.
Please describe the target (<i>maximum 5 lines</i>): The Link Onlus current account is, in fact, reserved for non-profit organizations with social aims enrolled in the general register of non-profit organizations; voluntary associations enrolled in regional registers on in the register held by the Trento and Bolzano provincial administrations; non-governmental organizations recognized by the Ministry of Foreign Affairs; social cooperatives enrolled in the regional register and in the dedicated section of the register held by the central governmental institution on provincial level (prefettura).
Reasons supporting the development of the initiative (<i>describe briefly the two main reasons – maximum 5 lines</i>): Contributing to achieve a stable and responsible financial system
Difficulties in developing the initiative (<i>describe briefly the two main difficulties encountered – maximum 5 lines</i>):
Achievements (<i>for example, number/type of beneficiaries and, if available, evolution in the last two or three years – maximum 5 lines</i>): 1800 Link Onlus current accounts were opened to date. At the end of 2007, the group signed a partnership agreement with AVIS. As a result of this, the approximately 3,500 local branches of AVIS may start requesting the Link Onlus current account, becoming clients of the group.
CURRENT ACCOUNTS AND PAYMENT SERVICES - Please describe the main characteristics of the offered service (<i>maximum 5 lines</i>):

<p><u>2. Carta E</u></p> <p>The group has also launched a sort of charity credit cards program, named Carta E, allowing holders the possibility to support charity initiatives promoted by the UniCredit Group without additional costs. In fact, the UniCredit Group committed to allocating 0.3% (3 per mille) of any transactions carried out by the UniCreditCard Classic Etica, to disadvantaged households, without additional costs for the cardholder.</p>
<p>Please describe the target (<i>maximum 5 lines</i>):</p> <p>Homeless people and disadvantaged households</p>
<p>Reasons supporting the development of the initiative (<i>describe briefly the two main reasons – maximum 5 lines</i>):</p> <p>Contributing to achieve a stable and responsible financial system Dimension of UniCredit network, together with the presence of numerous branches in the territory, allow the Group to generate a significant portfolio of cards held by clients. As a result, local communities can concretely enjoy the benefits deriving from this charity initiative.</p>
<p>Difficulties in developing the initiative (<i>describe briefly the two main difficulties encountered – maximum 5 lines</i>)</p>
<p>Achievements (<i>for example, number/type of beneficiaries and, if available, evolution in the last two or three years – maximum 5 lines</i>):</p> <p>Donations annually amounted to about €1.6 million. 75% of this amount was allocated to disadvantaged households (100 households in Rome and 100 in Reggio Emilia currently assisted). 25% was allocated to homeless people in Rome through the Comunità di Sant'Egidio. The initiative will soon expand its scope, as a result of the success of Carta E. In particular, the Group is about to :</p> <ul style="list-style-type: none"> o finalize a list of municipalities/provincial administrations to include in the sphere of application of the agreement regarding single mothers with children, similarly to what has been carried out in Rome and Reggio Emilia; o select another partner at the national level with a highly respected reputation, in addition to the Comunità di Sant'Egidio.
<p style="text-align: center;">Dedicated structures (for example, a dedicated bank, a specialized finance company, etc)</p>
<p>Characteristics of the projects (<i>please list maximum 3 projects and describe them – maximum 10 lines</i>)</p> <p><u>Agenzia TU</u>: Launched in 2006, the project is aimed at creating a network of branches, within the Unicredit Bank, dedicated to foreign citizens and atypical workers. The project led to the creation of a “bank inside the bank”. The following issues have been developed with respect to this network: specific corporate name and logo; innovative layout of sales points; definition of a new range of products to sell exclusively at “Agenzia Tu” sales points. Branch staff speaking multiple languages.</p>
<p>Please describe the target (<i>maximum 5 lines</i>):</p> <p>Foreign citizens and workers (including foreigners) with atypical employment contracts. These two groups similarly encounter difficulties in establishing contacts and building stable relations with the banking sector.</p>
<p>Reasons supporting the development of the initiative (<i>describe briefly the two main reasons – maximum 5 lines</i>):</p> <p>Agenzia Tu is aimed at attracting the targeted people to offer them transparent products that take into account specific client needs.</p>
<p>Difficulties in developing the initiative (<i>describe briefly the two main difficulties encountered – maximum 5 lines</i>)</p>

Achievements (for example, number/type of beneficiaries and, if available, evolution in the last two or three years – maximum 5 lines):
The Agenzia TU services is currently offered in Bologna, Turin, Milan, Rome, Brescia, Treviso, Verona, Florence and Genoa. The branches in Turin and Milan, which were the first to be established, acquired more than 1,000 clients during the first year of operations.

Financial Education (for example, classroom courses, websites; informative material, etc)

Main characteristics of the initiative (please list maximum 3 initiatives and describe them – maximum 10 lines):
The Unicredit Bank dedicates a section of its website to young adults. This section contains commercial information about product offerings specifically designed for their specific needs and is aimed at fostering young people's financial education by supporting them with simple and detailed information on the products and services offered.

Reasons supporting the development of the initiative (describe briefly the two main reasons – maximum 5 lines):
Trying to meet basic financial and banking needs of young people and promote financial education to make them aware of their responsibilities in managing savings and expenses.

Partnerships with entities other than banks (for example, department involved, criteria used to select the partner organization; goals/work schedule, etc.)

Main characteristics of the initiative (please list maximum 3 initiatives and describe them – maximum 10 lines):

1. Confidi (Credit Guarantee Consortium)

Unicredit Bank has built a stable partnership with Confidi, a consortium aimed at guaranteeing coverage of losses due to the default of a Confidi member(s) and facilitating access to short-, medium- and long-term loans. Unicredit established special channels, products and instruments in the framework of the partnership with Confidi. At each regional branch, there is a team of experts dedicated to Confidi and its members. Their objective is to identify initiatives and products designed to meet Confidi's needs to support the territory.

Reasons supporting the development of the initiative (describe briefly the two main reasons – maximum 5 lines):

Supporting local economy development by means of small and medium-size loans granted to less "advanced" targeted people and favoring mutual support among craftsman enterprises. The more Confidi gets to know local businesses the easier it is for the businesses to obtain credit to finance their development plans in the territory. Accessing credit through Confidi is also easier than accessing regular bank credit.

In addition, Confidi's assessments allow reduced time for requesting, approving and granting the loan.

Characteristics of the initiative (please list maximum 3 projects and describe them – maximum 10 lines):

2. Partnership agreements with industrial operators to promote the installation of new photovoltaic plants

UniCredit Banca, in cooperation with some high profile industrial operators, launched an advantageous "ready-to-use" offer. This consists in loans granted at preferential rates to buy and install photovoltaic panels that allow operators to support the development of renewable energy sources. The loan is paid in a single payment after the plant has been inspected and reviewed at the final installation stage. It amounts to a maximum €300,000.

It a medium- long-term financing in the form of:

- unsecured loans

- mortgage loans
Describe the target (<i>maximum 5 lines</i>): Small enterprises, (apartment) owners, entities (hospitals, schools, universities, other accommodation facilities)
Reasons supporting the development of the initiative (<i>describe briefly the two main reasons – maximum 5 lines</i>): Installing a photovoltaic plan means understanding the advantages associated with solar energy and preservation of the environment. Such plants also qualify for State aid.
Characteristics of the initiative (<i>please list maximum 3 projects and describe them – maximum 10 lines</i>): <u>3. Partnership to support solidarity initiatives</u> The Unicredit Group supports numerous initiatives with a social dimension. It acts not only as a financial supporter, but also as a partner, offering its skills and infrastructures, and jointly carrying out projects. The presence of numerous branches in the territory is an effective vehicle to inform local communities and make them sensitive about the initiatives carried out. Unicredit clients who have online accounts can support these solidarity initiatives by means of online donations at no costs. Donation campaigns launched by the Italian association promoting research on cancer (AIRC) are among the initiatives with a strong social impact. The bank is regularly supporting these campaigns, offering a dedicated current account in the name of AIRC and launching communication campaigns inside the bank. The Network supports other initiatives at the local level. In 2007, for example, the Network supported the Lilt initiative (Italian league against tumors) in Verona and the yearly charity match between Italian celebrities plus a selection of professional football players (“Partita del Cuore”) in Naples (Foundation Cannavaro – Ferrara and Thalassaemia)

Other
Describe further financial inclusion initiatives carried out by the bank (<i>maximum 10 lines</i>): <u>Fondazione Unidea</u> Unidea-UniCredit Foundation was established in 2003 as a non-profit foundation and belongs to the UniCredit Group. The foundation is aimed at planning and supporting solidarity initiatives, as well as projects in the field of international cooperation and development. Unidea’s role consists in expressing, promoting and applying these values by pursuing philanthropic aims. The targets of its activities are the relevant communities inside and outside the Group. Unidea is a corporate foundation with a legal personality. Its board of directors is composed of individuals chosen for their experience and high-level contribution to the non-profit and social research fields. In support of the Foundation’s initiatives, the Group granted €32.3 million between 2004 and 2006. The Foundation carries out projects with social dimension and in the field of international cooperation for development focusing its resources mainly on the following sectors: Economic and local development; Microfinance; Healthcare; Social integration; Professional training. <u>Activity carried out in Italy</u> Since 2003, the bank has supported associations operating in the Italian territory and assisting individuals at risk of social exclusion. 102 projects have been given financial support for a total amount

of €5,000,000. The bank dedicated special attention to youth unrest, with a focus on initiatives to prevent early drop out from school and to promote integration of young immigrants, cultural mediation, professional integration, legal protection, reception and drug addiction treatment centers.

The Unidea Foundation has supported two associations (The foundation has offered regular and constant support also by means of active participation):

- the Foundation called “Casa della Carità Angelo Abriani”, received funds in two fields: managing housing and social difficulties encountered by the Rom community in the Milan area; cultural promotional activities on social exclusion, especially in the suburbs, and immigrant integration;
- S. Martino Association, received funds to pursue its action to prevent early drop out from school and education in the Gratosoglio neighborhoods of Milan.

In addition to financial support, Unidea carries out research and detailed studies on the complex social issues dealt with by the non-profit organizations. To this end, Unidea is currently carrying out a research study on the role of the non-profit sector in promoting social values, which also will define the main features of non-profit associations.

Overview of the activities carried out by cooperative credit Banks (this information was provided by the Italian Federation of Cooperative Credit Banks and Rural Banks).

Credito Cooperativo Mediocrati, Multiservices current account called “Migrants”

The Credito Cooperativo Mediocrati (CS) offers a multi-services current account called “Migrants” for immigrants holding a regular residence permit. The current account allows the following: traditional Banking services, such as, on the one hand, home loans, personal loans, business financing, debit card, “*Tasca*” rechargeable card, and on the other hand, specific services such as money transfer to the country of origin. This is a zero cost account and allows 60 transactions for free. It is for immigrants residing in the Consenza province and aims to favour social integration by offering simple services accessible to everyone.

BCC in Sesto San Giovanni support housing for regular immigrants.

The BCC in Sesto San Giovanni (MI), together with the San Carlo Foundation and the Association called “Una casa per...” (“A home for...”) supported a project aimed at favouring housing of legal immigrants. The association chooses targeted immigrant households and acts as guarantor of the contract vis-à-vis owners. Future tenants should have the following essential requirements: being legal, proof of a reliable job, and being a real family. Landlords are instead requested to charge slightly less (on average 10% less) than what generally is charged on the free market. The Bank provides the tenant family signing a lease with discounted loans amounting up to €5,000. This money is used to cover security and advances (usually amounting to three month rent), expenses for the moving, connections on preferential terms and repayment up to three years. The San Carlo Foundation acts as guarantor vis-à-vis the Bank in case of default. Landlords are not offered any economic guarantees. The project places responsibility on the parties and aims to avoid the tenant’s default.

Federazione BCC Toscana, financing women’s and young adult’s entrepreneurship

The Federazione Toscana of BCC and the Tuscany Region signed an agreement to offer credit facilities at discounted rates. These facilities are supported by a rotation fund amounting to €1,750 billion. Such credit facilities (at discounted rates characterized by spreads varying from 0.80 to 1%, in addition to the IRS or Euribor calculated on a six-month period reduced by 10-20%. In case of young adults’ and women’s enterprises requesting such financial assistance, the IRS/Euribor applied to unsecured loans is 0.60%) are designed to support research and innovation investments, starting-up young adults’ or women’s business, new staff hiring in the agricultural sector, and development. The Banks will make an assessment and group the enterprises qualifying to receive the funds according to five categories based on merit.

Emilbanca provides services at reduced charges to social cooperatives

Emilbanca (BO) launched product offers at particularly advantageous prices and terms. These products are designed for social cooperatives operating in the locality of the Bank’s operations and meeting specific requirements. Specifically, the Bank offers a current account at reduced charges, unlimited number of transactions for free, fee exemptions for providing and sending Bank statements and, to non-profit organizations only, an exemption from stamp duties. Loans to partners with the purpose of injecting capital in the cooperative: unsecured loans up to €5,000 with a maximum repayment term of 5 years, variable interest rate at EBC+0.50, no application fees and transaction charges (automated direct debit). Loans to cooperatives with the purpose of injecting capital in the consortia: unsecured loans up to €20,000 with a maximum repayment term of 5 years, variable interest rate at EBC+0.50, no application fees and transaction charges (automated direct debit). These special conditions offered by the Bank are reserved exclusively to type A, B or C type social cooperatives enrolled in the regional register.

BCC friulane: loans guaranteed by the Region and offered to workers on fixed-term contract
Through the “Equo Fatto” initiative, the Banche di Credito Cooperativo (BCC) in Friuli Venezia Giulia offer preferential rate loans to temporary workers. The Regional Administration by means of the Guarantee Fund guarantees these loans. The loan amount is €3,000 and can be raised up to €15,000. The interest rate (EAIR – Effective Annual Interest Rate) for the purchase of durable consumer products and generally for consumer credit is (Euribor/IRS) + 0.75%, while in case of an advance from the wage supplementation fund, it is (Euribor/IRS) + 0.50%. The loan term varies from a minimum of 24 months to a maximum of 5 years.

BCC in the Chianti region: ethical bonds to support social initiatives

Ethical bonds issued and placed on the market by the Banca di Credito Cooperativo in the Chianti region near Florence provides financial assistance to three social projects: the Cereal Bank project in Chad; the micro credit project aimed at people living in the Florence Neighbourhood 4 (Quartiere 4); and the financing of diagnostic equipment for the Confraternita Misericordia Tavernelle and Barberino. Subscribers choose which project they want to support and allocate a portion of their bond earnings to the chosen initiative.

The BCC, Caritas, the Diocese of Florence and the Municipality of Tavernelle Val di Pesa carry out the Cereal Bank project in Chad jointly. The aim of project is to build an economic system able to support better economic conditions of farmers in Chad. Poverty currently allows unscrupulous businessmen to exploit the situation and cause further impoverishment of farmers. Cash donations, by means of the “ethical bonds”, will be used to constitute a rotation fund, which the cooperatives can utilize to purchase cereals directly from farmers. The second project is aimed at facilitating access to credit for people living in the Florence Neighbourhood 4 (Quartiere 4). The objective is to reduce poverty in the Florence suburb. To this end, the Banca del Chianti Fiorentino and the Fondo Essere (a social assistance fund managed by 24 associations operating in the region) launched a micro credit project funded by ethical bonds earnings. Subscribers undertake to allocate a portion of the bond interest rates to the Fondo Essere with the advantage of deducting the disbursed amounts from their income. The BCC, as financial intermediary and in cooperation of the Fund, grant loans amounting from €2,500 to €5,000 (inclusive). Loans up to €10,000 are also contemplated for small and medium enterprises in need operating in the region.

The last tranche of the initiative is aimed at financing the purchase of diagnostic equipment for the Confraternita di Misericordia Tavernelle and Barberino. The Confraternita has been active in the field of social and medical assistance for more than half a century.

Credit facilities offered by the BCC in Andria to enterprises started up by young adults.

The BCC in Andria intends to facilitate access to credit for young adults that want to start up a business. To this aim, the BCC in Andria (near Bari) and the Department for Youth Affairs of the Andria Municipality signed a memorandum of understanding. The initiative targets young adults, especially aged 18-35, that want to start-up a business. The memorandum is based on a document of the Puglia Regional Administration providing for funding. The BCC contemplates loans up to €20,000 at a rate starting from 6%. In addition, the project supports leasing and factoring facilities, additional and low interest financing and consulting.

The next step will be the offer of home loans reserved to young adults, temporary workers (atypical workers) and employees with a total annual income not exceeding €15,000.

BCC in Cartura: subscription to ethical bonds and Welcome current account reserved to immigrants

The Banca di Credito Cooperativo in Cartura offers subscribers of ethical bonds the possibility to choose the “entity promoting ethical aims” (churches, associations with ethical objectives enrolled in the registers kept by the relevant municipalities) that will receive a donation amounting to 1.25% of the amount invested. The total value of ethical bonds placed on the market amounts to €3 million. Subscribers of ethical bonds selected 60 charities which received almost €40,000.

The BCC also offers a current account called “Welcome” aimed at promoting financial inclusion of immigrants. Account holders are entitled to fixed monthly charges, unlimited number of transactions, and free additional services in addition to remittances towards the country of origin of the immigrant. The Bank issued information material in Russian and Romanian to make it easier for immigrants from those countries to understand. In addition, a cultural mediator of Moldavian nationality facilitates communication with immigrants opening the Welcome current account.

BCC Alta Padovana: microcredit and financial education to promote inclusion

Through the “Microcredito Etico-Sociale”, the Banca di Credito Cooperativo dell’Alta Padovana grants loans in amounts up to €3,000 with a maximum repayment term of 36 months and monthly payments at a fixed interest rate of 3.5% for the entire repayment period and no application fees. This facility is especially reserved to people encountering temporary economic difficulties, as result of bad health, loss of employment, and for large families.

To support financial education, the Bank assists with trainings aimed at foreigners to promote their knowledge of the culture of the residing country and integration as well as initiatives promoted by the so-called senior citizen university. BCC also offers to its partners and customers assistance and consulting support to complete the 730 form to declare income.

BCC in Monastier and Sile promotes three financial inclusion initiatives

The Banca di Credito Cooperativo in Monastier and in Sile launched three financial inclusion initiatives. The first initiative is called “Certificato di Deposito Etico”. It is offered by the BCC to meet religious institutions’ and savers’ needs. Funds collected are used to finance the activities of religious institutions. The second project called “Prestito d’onore” for college students is a personal loan in a maximum amount of €2,500 at a preferential rate. Students can start repaying the loan after they complete their study program, in any case, no later than 6 years from the date of the first disbursement. The “Conto Ateneo” is designed for high school, college and graduate students. Account holders are entitled to reduced costs (close to zero) and other related facilities.

BCC in Treviglio promote financial inclusion initiatives

The Banca di Credito Cooperativo in Treviglio offers several types of loans to promote financial inclusion. In particular, three initiatives are offered in the field of home loans included in the Bank’s “Linea Solidale”. The first initiative called “Crescere Liberi” entails that the recipients of the home loans allocate a sum to a Unicef project. The second initiative is called “Mutuo con loro” and is designed for large households or households with serious financial problems or having a disabled person among its members. The loan called “Casa Amica” is reserved to foreigners residing in the Bergamo province and aims at providing financial support to purchase a home. The Bank also contemplates the creation of a Solidarity Fund to protect against the any inability of borrowers to repay. All these loans are granted at preferential rates.

The BCC in Treviglio also offers three credit lines to provide students with adequate financial support. The first credit line is called “Prestito studio e computer” and can be used to pay for summer courses and the purchase of a personal computer. It amounts to a maximum €1,300. The second credit line, which amounts in maximum €1,000, is called “Costo zero” school loan and can be used to buy books and other educational material. Finally, the third credit line, called “Prestito Laurea”, amounts up to €7,500 and can be used to pay for college expenses and fees.

BCC offers loans to households with serious financial problems based on honour and called “Prestiti d’onore”. In particular, the “Mutuo Ad hoc” is reserved to parents that undertake to adopt a foreign child. Another important credit line offered by the Banca di Treviglio is “Presto Credito”, a personal loan that everyone can request without supporting documents and obtain in 48 hours. The maximum amount is €10,000 and is granted at a fixed rate of 8%. The same line also includes the “Prestito patente”, a loan offered to those who want to obtain a driving license. The “Prestito Asilo Nido” is a loan aimed at helping pay nursery fees. The loan normally amounts in a maximum €10,000 that can be

increased up to €20,000 in case of more than one child. The loan repayment term varies from 19 to 60 months.

BCC in Treviglio offers households in temporary need three types of loans: a loan called “Temporanea difficoltà”, another one called “Cambio Lavoro”, and the third one called “Calamità”. The first type of loan is aimed at employees of companies in crisis and is granted during the period between the time the mobility and redundancy procedures are started up to when the employees receive disbursements. It is a Bank loan linked to the current account at preferential rate and terms amounting to 75% of the severance indemnity (“TFR”) accumulated by an employee. The second type of loan is reserved to unemployed young adults up to 25 years to help them find a new job and re-training. The loan amount is a maximum €5,000 and must be repaid in 36 months.

Another Bank credit line linked to the account is aimed at enterprises and private clients that face expenses to repair damages due to natural disasters.

In addition, the Banca di Credito Cooperativo signed an agreement with the San Bernardino Onlus Foundation to prevent usury. In 2007, in the framework of this agreement, the BCC granted 5 loans, which amounted to more than €86,000. In this same field, BCC joined the framework sponsored by ABI and the Ministry of the Interior, to prevent usury and racketeering and support the victims.

The BCC in Treviglio offers credit at preferential rates to women (“Imprenditoria Femminile”) and young adults (“Giovani Impresa”) who want to start up a business. Finally, the “Bonifico Friendly” is designed for foreigners who want to transfer money in a manner other than automated standing orders on their accounts.

BCC in the Ravenna and Imola regions: “sportello di solidarietà”

The Banca di Credito Cooperativo in Ravenna and Imola promotes an initiative called “Sportello di Solidarietà” to stimulate solidarity at the financial level by means of: so-called solidarity loans, ethic savings and donations. The initiative is designed for individuals in need, living at the margin of the production system and therefore at risk of becoming the victim of usury. The initiative also targets charities and associations carrying out social initiatives. The loan amount is a maximum €10,000 and repayment can be made up to a maximum period of 60 months. The loan rate amounts to 80% of the rate specified by the European Central Bank at the time the loan was granted. In October 2008, the interest rate amounted to 3.4%. Certificates of deposit can be subscribed as part of the so-called ethical savings scheme. The certificates are due for payment after 12-24 months and their minimum amount is €500. The interest rate currently amounts to 2% before-tax. In 2007, 44 disbursements have been made for a total amount of €390,000 and 18 solidarity loans for a total amount of €88,000.

Micro-credit project

The 11 BCCs and Rural Banks of the Vicenza province signed a framework agreement with the Diakonia association, which is an operational division of the Vicenza’s Caritas association, to grant small loans aimed at ethical and social projects. Under the agreement, the BCCs advise the recipients of the loans and provide financial support. The loan capital is accumulated into a Guarantee Rotation Fund by means of private clients’ and institutions’ donations. The initial capital of the Fund amounts to about €130,000 allocated by the Caritas diocesana (€30,000), the cooperative credit Banks (BCC) of the Vicenza province (€100,000), the Santorso municipality (€2,000) and a private investor. In the framework of the project, a tutor provides assistance to individuals encountering difficulties in managing their balance. The tutor is something specific to this project.

The BCC in Fano (PU) signed a framework agreement with the Foundation named “7 Novembre” and the local Caritas association with the purpose of establishing a guarantee fund. The fund will provide financial support to the “Microcredito” initiative designed for people in need. Under this initiative, targeted people are granted up to €5,000 loans to be repaid in monthly payments of about €100. Loan terms and conditions are extremely advantageous. Only individuals residing in Fano for at least three years can request these loans.

In 2007, the BCC in Creta Piacentino (PC) in cooperation with the Caritas association launched an initiative whereby households in need are granted small-size loans, including the so-called loans based on honour. The loans are repaid over a long period of time based on the recipient's available funds. Interests are charged to the local municipality. In 2007, the Piacenza municipality received 72 requests for loans based on honour; 49 loans only were actually granted. Households are supported by means of loans ranging from €500 to €5,200 (in case of large families) and cash advances to be used for down payment when buying a house, expenses for connecting utilities and for medical assistance.

The Cassa Rurale in Aldeno and Cadine launched a micro credit initiative designed for immigrants in cooperation with Atas (non-profit association), Trento municipality and Fondazione Cariplo, the Cassa Rurale in Aldeno and Cadine launched a project to grant small loans to immigrants. A fund has been established with an initial capital of €76,000 to overcome the difficulties that foreigners wishing to start-up a business encounter in accessing Bank loans. Loans vary from €1,500 to €5,000 in case of individual businesses, while loans up to €10,000 may be granted to start up and expand cooperative businesses. Such loans are granted at a fixed preferential rate of 5.5% payable over 60 months. The fund also supports training programs for unemployed immigrants wishing to obtain better professional skills. In this case, the amounts range from a minimum of €500 to a maximum of €1,500. The local municipality allocated €10,000 to the Fund. Atas is tasked with assisting applicants.

The Credito Cooperativo Bolognese and Emil Banca offer loans to women and temporary workers with good business plans.

The project, launched by the provincial administration in Bologna, is supported by a guarantee fund. The fund allocates up to €100,000 to the project. Emil Banca (BO) and the Credito Cooperativo Bolognese (BO) on the basis of a call for applications grant the loans. The amounts vary from €5,000 to €30,000. Female workers with temporary employment as well as newly established micro-enterprises with no more than three employees and a strong female presence are involved in the project. The project also targets men and enterprises without a strong female presence. In their start-up years, businesses will be assisted by technical consultants also to facilitate their access to credit.