



UniCredit: Social Impact Banking

Laura Penna, Deputy Head of Social Impact Bank, UniCredit, Italy



UniCredit is a simple successful Pan European Bank

 ЮниКредит Банк

 UniCredit Bank

 HypoVereinsbank
Member of  UniCredit

 Bank Austria
Member of  UniCredit

 Schoellerbank
Private Banking

 Zagrebačka banka
UniCredit Group

 UniCredit Bank

 UniCredit Bank
Banja Luka

 UniCredit
FINECO
BANK

 UniCredit Bulbank

 YapıKredi

25 million customers,
of which 600,000 corporate
and public sector clients

Leader in the EUR Bond
market and the European
Trade Finance Power
House

Commercial Banks
with leadership
positions
in 12 out of 14 countries

Eur 19,295 Mln Revenues
2017

Second-largest Corporate Lender
in Europe with more
than EUR 300 bn outstanding



Social Impact Banking: Our commitment and ambitions

"We don't want to be just lenders, but also the drivers and facilitators of change to better our society. To do well, we have to do good."

Jean Pierre Mustier, UniCredit Chief Executive Officer

Our commitment

- Social Impact Banking is UniCredit's commitment to building a **fairer and more inclusive society**. Its aim is to **identify, finance and promote people and enterprises** that have a **positive social impact**.
- The initiative will be **trialed in Italy**, before being **rolled out** to all the **countries where we operate**.

Our ambitions

- Our ambition is to **help achieve the Sustainable Development Goals** set by the United Nations. In particular, we have chosen to focus on:
 - **promoting quality education (Goal 4),**
 - **developing initiatives for the good health and well-being (Goal 3),**
 - **championing gender equality (Goal 5),**
 - **supporting job creation and economic growth (Goal 8), and reducing inequality (Goal 10).**
- We do not want to be alone in working towards these goals. With the support of a variety of like-minded partners who share our objectives, we will build a broad network to champion the sustainable development goals **(Goal 17)**.



Main reasons for UniCredit to focus on Social Impact

Banks are the engine of the economy, and have special responsibilities

Social Impact is becoming a core part of the business

Banks' business decisions have a **lever effect** which is by far bigger than any other industry

New social needs and growing gaps in public welfare create private sector opportunities for **social impact initiatives**

Banks **can prosper** only as long as **they operate in healthy territories/environments**

Investors' attention **to the social approach and sustainability** of companies' business models is growing

We believe that **people's behavior** must be driven by values, ethics and the **proper business principles**

The social value generated by enterprises **will positively influence** their economic and financial sustainability



Social Impact Banking: distinctive features of our approach



WE GIVE
CREDIT

- We **finance** projects and organizations that are often excluded from access to **traditional banking offer** and those which have a **positive impact on society**



WE SHARE
OUR
KNOW-HOW

- We **share** our **financial expertise** and **guide** organizations to grow, helping them to **do their best**



WE BUILD
NETWORKS

- We **build networks** connecting several community players, share **positive experiences** and raise awareness on **the worthiest initiatives**, helping them to **boost their impact**



WE MEASURE
THE IMPACT



RETURN OF
CAPITAL, NOT
RETURN ON
CAPITAL



Social Impact Banking: our areas of intervention



Microcredit

- Financing of **micro-entrepreneurs** with **sustainable business projects** but with **difficulties in accessing traditional banking offer**



Already available in all
Commercial Italy network
(2.500 branches)



Impact Finance

- **Financing** provided for **projects** and **activities** that, in addition to an **economic return**, aim to generate a **measurable social impact**
- Introduction of **"pay for success"** mechanism



100 Mil€ available to support
social impact projects in the
next two years



Financial Education & Inclusion

- **Promoting financial literacy** as a way to support **micro-businesses** and **social enterprises** as they start up.
- Supporting **vulnerable groups**, in particular young people and those at risk of exclusion, by building **greater financial awareness** and entrepreneurial training to enable their inclusion.

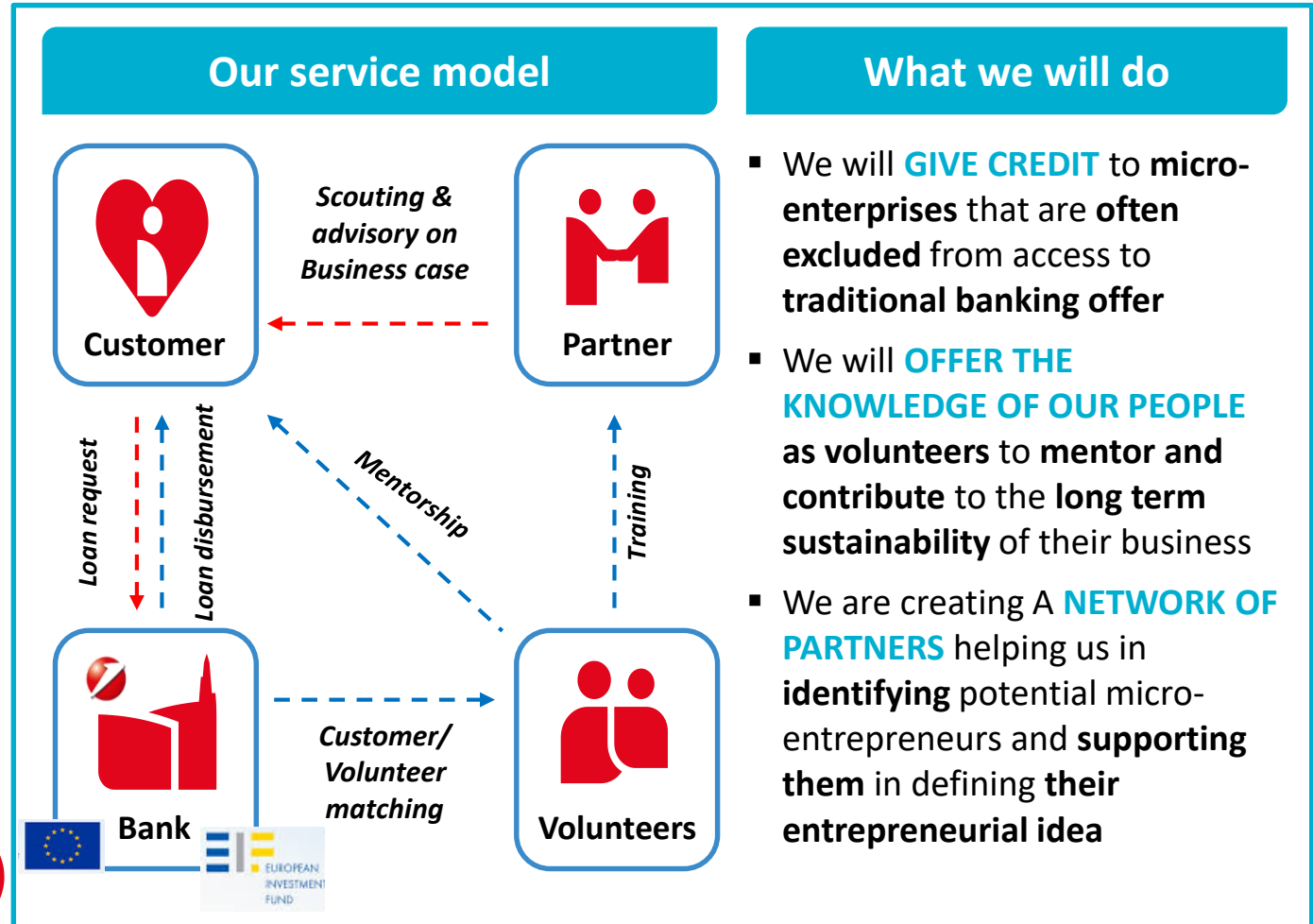


"Alternanza Scuola Lavoro"
program reaches more than
15,000 families (50,000 in 3
years) in our territories

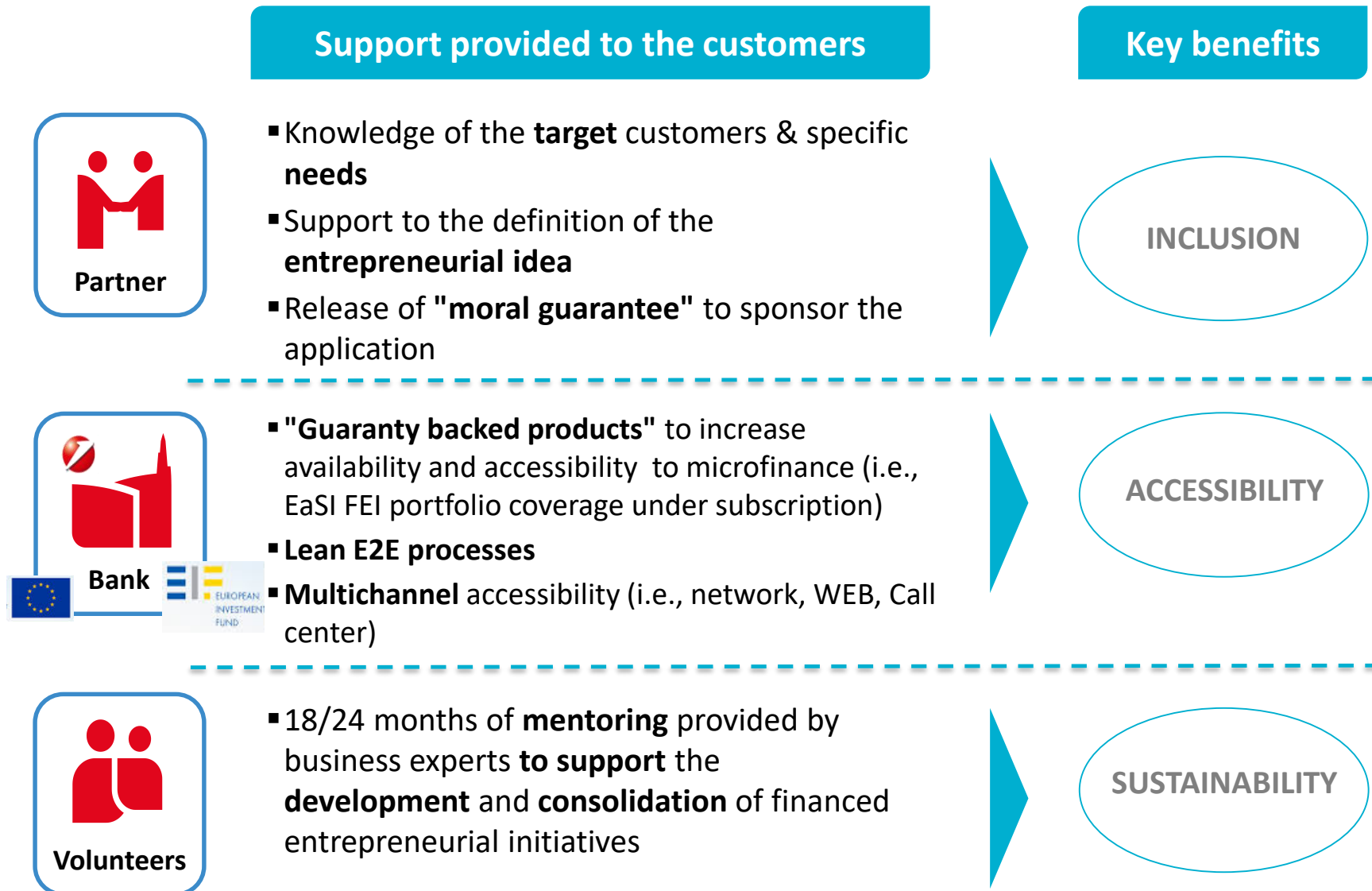


Microcredit new service model: to boost effectiveness involving several players to support Micro-entrepreneurs

- **Our goal** is to generate long term sustainability, inclusion and new **job opportunities** empowering engaged people but **without** the possibility to provide a tangible **guarantee** and with no **credit history**

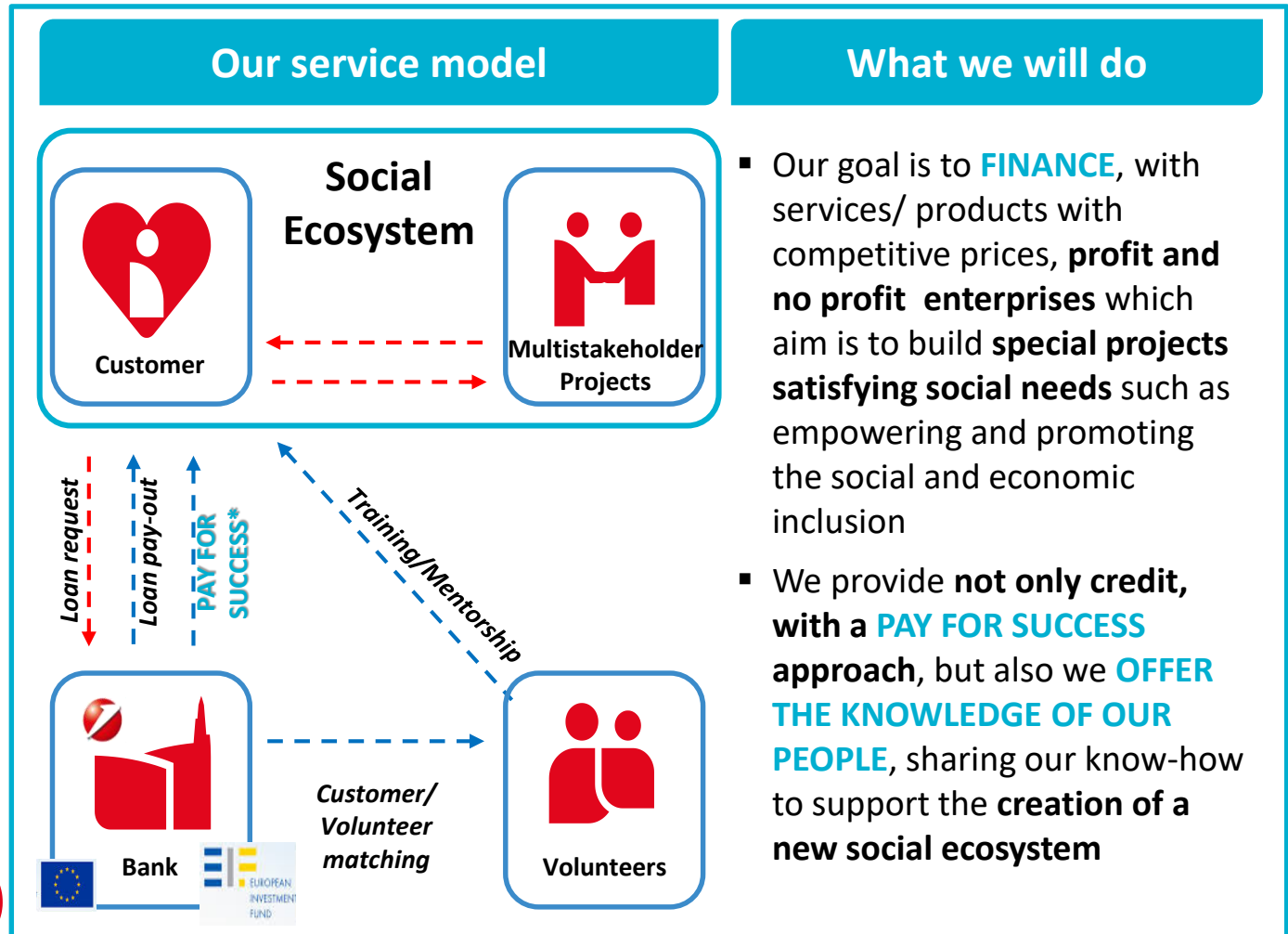


Microcredit: supports and key benefits for the customers



Impact financing service model

- We want to **contribute to the development of the impact financing market** in the various countries in which we are present, with the aim of supporting **social innovation** as a positive driver of change



*Our model considers even the opportunity of third parties' pay for success approach



Food for thoughts to promote the development of a social ecosystem to support impact financing

- Enlarge the perimeter of beneficiaries of **guarantees** and **other forms of coverages to companies** that have a **social intent** including hybrids and for profit with social impact projects
- Promote initiatives to **scale up social enterprises** by encouraging the **standardization** and **replicability** of services
- Regulate the **criteria for measuring** the impact and encourage the creation of **official certifiers**
- Encourage the creation of "**social impact ecosystems**" supported by "**aggregative financial schemes**" meeting the financial needs of "**multi-stakeholders projects**"
- Foster **social innovation** and the application of **technology** to the solution of social challenges





financial instruments
added value **ERDF** funding agreement
technical support seminars leverage
co-financing **ESIF** financial intermediaries
investments **fi-compass** final recipients
business plan **Thank you** thematic objectives
advisory services guarantees banks loans **EaSI** equity
EAFRD private investors life cycle combination of support
conferences **EMFF** investment strategy **CF**
managing authorities manuals