

## PRESS RELEASE

### **The first European bank for non-profit making sector started work**

- Intesa Sanpaolo Group founded a new bank "Prossima" that will operate through the entire network of the Group in Italy of 6,200 branches, with objective to give strong support to the non-profit making sector and the social community initiatives. The entire profit of the bank will be invested in "Foundation for development of social initiatives" that supports companies exempted from the possibility of standard crediting. Intesa Sanpaolo allocated the new bank funds in the amount of EUR 120 million.

**Milan (5 November 2007)** – Banking group Intesa Sanpaolo founded "Banca Prossima" in Italy, the first European bank to offer its services to non-profit making sector and various social initiatives only. This bank, unique in Europe, will operate through more than 6,200 branches of Intesa Sanpaolo Group all over Italy, along with 60 local departments for more complex transactions and network of 100 experts.

Services of Intesa Sanpaolo are currently being used by more than 50,000 non-profit making organizations all over Italy, and by founding "Banca Prossima", Intesa Sanpaolo Group intends to give even faster, more efficient and quality service particularly adapted to the way of work and specific characteristics of the non-profit making and religious sector. The project is designed to enable even faster responses to the requirements and needs of the entities from non-profit making sector, in order to further improve the quality of banking services intended for this sector and with objective to contribute development of what is called "common goods economy".

Intesa Sanpaolo allocated the new bank significant funds amounting to EUR 120 million, and the entire profit achieved by "Banca Prossima" will be used for development of the bank itself. One part of the profit is reserved for consolidation of the capital value as the guarantee of the full viability of the enterprise itself, whereas the remaining profit will be invested in "Foundation for development of social initiatives", which will enable adequate financial support to those entities and projects that do not have the possibility for standard crediting.

"Banca Prossima" will offer a complete range of specific-purpose products and services designed in collaboration with the organizations from non-profit making sector, which will be intended for social initiatives and religious organizations. The Bank will develop specialized ranking models, such as Model for ranking social initiatives, that will instead of the traditional parameters applied in banking analyses, offer new elements such as the ability to collect funds, success of projects financed by public administration and foundations, percentage of orders issued by natural entities and internal management, virtually opening a new chapter in the ranking system applied to companies in non-profit making sector.

"Banca Prossima" set itself ambitious goals for the next 3 years:

- to offer services to at least another 10,000 non-profit making organizations all over Italy
- to make its contribution to the “Foundation for development of social initiatives” reaching up to EUR 20 million, in order to pay EUR 80 million towards the social companies exempted from crediting possibilities as well as to realize projects on network level in all sectors performing non-profit making activities.

Within the Group, “Banca Prossima” will base its operations on decades-long experience gained in relations with non-profit making sectors as well as 3-year-long work of laboratory “Laboratoria Banca Societa” which devoted its work towards planning and realization of innovative banking services for those entity categories faced with the biggest financial difficulties: university students, social companies, the redundant and supported family members.

Projects such as PAN (with 260 nurseries already opened in Italy), Bridge (student loans, project including 23 universities), Anticipazione Sociale (support to the workers made redundant), Tuttinsieme (giving financial support to families with senior, supported family members). A scuola di Risparmio (project directed towards education of elementary school children in view of savings), Fondazione Talenti (dedicated to religious objects) and Mutuo Atipico (non-standard financing of workers employed on basis of Employment Agreement, for purchase of the first flat) are the initial trial base that represents actual experiences in the process of unifying and shaping of the professional skills the new bank is based on.

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Non-profit making sectors in Italy and Great Britain are among the biggest in Europe. In Italy there are 250,000 such organizations and together with the volunteers and the paid operatives, they comprise 4 million in total, their income amounting to EUR 46 billion with a stable growth rate in the past 5 years amounting 10%. This sector is also the leader in view of dynamics, it is mainly comprised of young operatives (65% of them are younger than 40), most of them are women (60%) as well as high percentage of those working with high school or university level of education (70%). Generally speaking, non-profit making entities are, in importance, second only to the public sector, as a provider of services intended for citizens. However, many social organizations meet difficulties not only in establishing closer relations with loan system which is caused by financial weakness factor, lack of professional management but also in efficient decision making in development related projects. In contrast to that, the latest economic, social and institutional dynamics, as well as the new legal measures applied on social organizations, direct the non-profit making sector towards those organizational forms with better structure and more adequate access to loans.