

## **UBI Banca and CFI - Cooperazione Finanza Impresa sign a memorandum of intent to support production co-operatives and social enterprise**

Milan, 19<sup>th</sup> February 2019 - UBI Banca has signed a commercial co-operation agreement with CFI (Cooperazione Finanza Impresa) to encourage the development of production and labour co-operatives and social enterprise initiatives throughout Italy. CFI is a joint stock co-operative company that has been in operation since 1986 to promote production and labour co-operatives and social co-operatives. It is promoted by AGCI – Associazione Generale Cooperative Italiane (General Association of Italian Co-operatives), CONFSCOOPERATIVE and LEGACOOP and stakeholders include the Ministry for Economic Development and Invitalia Spa.

### **Financing for co-operatives and social enterprises**

Collaboration between UBI Banca and CFI will lead these partners to joint financing of single investment projects in the world of co-operatives and social enterprises, including those which involve “impact investing”, investments designed to generate a measurable social or environmental impact and at the same time guarantee a financial return.

UBI Banca and CFI will give support and practical assistance to existing or newly created co-operatives for development and investment projects, making use of subsidised instruments made available by the Ministry for Economic Development and currently managed by CFI.

### **Intervention on behalf of young people, to restore legality and protect jobs**

The various initiatives considered include those designed to stabilise and grow the co-operatives in which CFI holds stakes, to promote youth business projects and to support operations to purchase and turnaround companies carried out by employees themselves (workers’ buyouts) to protect their jobs.

The agreement involves initiatives to create new enterprises and co-operatives undertaken by workers to rescue firms seized and confiscated from criminal organisations. It includes operations to support investment projects by social enterprises by using the *Fondo Rotativo* (FRI – Revolving Fund) to support social enterprises, the first subsidy project dedicated to social enterprises, for which UBI Banca was the first Italian bank to sign an agreement with the Ministry for Economic Development, the Italian Banking Association and the *Cassa Deposito e Prestiti* (a state controlled fund and deposit institution).

UBI Banca also offers its services as one of CFI’s financial partners, by making available its range of banking services and credit facilities. These include those termed “pay for success” (i.e. a mechanism which links the spread applied by the Bank to the achievement of predetermined social objectives) designed to support impact and social innovation oriented projects and community welfare projects which can produce benefits in terms of local development and satisfy the financial needs of co-operative enterprises that are members of CFI.

### **A project partnership orientation**

The agreement has arisen from a desire by the parties to it to intensify the collaboration between CFI and UBI Banca which started several years ago through the UBI Comunità commercial division which specialises in third sector and civil economy organisations. The purpose is to generate synergies, to make competencies, networks and expertise acquired from analyses of financial, technical, production, commercial and managerial requirements mutually available and to organise development objects to support social co-operatives and co-operative organisations in general.

*“This agreement is consistent with the spirit and objectives of UBI Comunità and its division which specialises in the third sector and the civil economy” said Guido Cisternino, Head of the Third Sector and Civil Economy at UBI Banca. “In fact it is a good example of its innovative and distinctive nature. It combines an approach and a dedicated commercial proposition built on the basis of the requirements of this type of customer with the capacity, through specific partnerships, to pursue common aims, the value of which is measured not only in terms of the financial return, but also in terms of the measurable social benefit”.*

*“Our collaboration with UBI”, commented Mauro Frangi the President of CFI, “will enable us to increase possibilities for co-operatives to benefit from the public resources available, precisely because the complementary relationship between the ‘patient capital’ invested by CFI and bank loans granted by UBI Banca will increase the sustainability of entrepreneurial projects. Our collaboration with UBI is strategic and I am certain that it will give a genuine boost to co-operatives that want to grow and invest.”*

#### **UBI Banca**

*UBI Banca is one of the leading commercial banks in Italy, with a market share of around 7%, 1,651 branches in Italy and almost 21,000 employees. Since 2011 the Bank has had a unit specialising in business with both Church and non-Church clients belonging to the third sector. A new organisational structure and positioning with regard to the world of public authorities was defined in 2016 with the 2019-2020 Business Plan. A new strategic Area named UBI Comunità was established with the purpose of overseeing and developing commercial relations both with the third sector and the civil economy as well as with public authorities and with the various groupings of associations. UBI Banca promotes partnership initiatives between the public, private and private social sectors with this strategic Area, by involving local communities and by innovative leverage of the Group’s abilities and expertise. With UBI Comunità, UBI Banca adds to a range of services designed for simplified banking operations that are secure and economical, with diversified credit solutions to pay advances on contributions and revenues, together with a range of flexible and customisable financing solutions to support the pursuit of institutional aims and to launch or accelerate economically sustainable paths to growth and social innovation. In 2013 UBI Banca received the Italian Banking Association “Charitable Bank” prize and the National Prize for Innovation awarded by the President of the Republic.*

#### **CFI, COOPERAZIONE FINANZA IMPRESA**

*CFI, COOPERAZIONE FINANZA IMPRESA, was formed in 1986 when Law No. 49/85, known as the “Marcora Law”, came into force. The Ministry for Economic Development holds a stake in it and supervises it. Its purpose is to promote the formation and development of production and labour co-operatives and social co-operatives.*

*It has been involved in the promotion and development of social co-operatives since 2001.*

*Since 2017 CFI, in collaboration with Invitalia and with the Agency for assets confiscated from the mafia, has worked to rescue companies seized from the mafia.*

*With the aim of safeguarding and increasing employment, in his capacity as an institutional investor, CFI invests capital in social enterprises, finances long-term investment plans and assist workers to draw up business plans and start up new firms.*

*It has supported 381 co-operatives since it was formed, making it possible to save and create over 18,749 jobs.*

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