



**ERSTE**  | Social Banking  
Group

**Impact Report**  
**2023**

Supported by



**ERSTE**  
Stiftung



Social Banking benefits from a guarantee funded by the European Union under the Programme for Employment and Social Innovation (EaSI)

# Foreword Erste Group



As we reflect on our journey, it is evident that our commitment to enabling and securing prosperity for all people in the region has been the cornerstone of our existence since our foundation. This commitment has driven us to integrate key Environmental, Social, and Governance issues into our corporate strategy, recognising it as the catalyst for fostering a fairer and more inclusive society.

Erste Group's Social Banking has put a profound focus on people - their lives, needs, environment, education, and, above all, their financial health. Since 2016, we have been on a mission to foster prosperity and expand access to finance in Austria and CEE region. We track our progress in achieving our objectives regularly by a robust impact survey with our clients. This is the third Social Banking Impact Report and serves as a comprehensive summary of our activities targeting three main impact objectives: job creation & preservation, expanding the impact of social organisations and improving financial health and housing for people on low income.

To date, our Social Banking initiative has supported almost 50.000 clients, providing around 600 million EUR to those who typically lack access to bank loans. Some noteworthy highlights include 70% of our start-up clients improving their overall financial situation as a result of our funding, 68% of social organisation clients increasing their social impact through our support, and 82% of clients in financial difficulties reporting reduced worry about their financial situation. These metrics paint a vivid picture of the impactful years we have had.

As we invite you to join us in celebrating the milestones of the past years, we acknowledge that these achievements are a testament to the collaborative efforts of our dedicated teams, partners, and the communities we serve. Together, we propel forward on a trajectory toward a future where prosperity knows no bounds.

Willi Cernko, CEO

# Foreword ERSTE Foundation



What is impact? There are plenty of definitions out there, but the essence of it is simple: having an impact means changing lives for the better. This is what we are striving for as ERSTE Foundation, and we approach this task with utmost sincerity and a lot of stamina.

If you want to achieve an impact it is not enough to have a great idea, inspiring enthusiasm, or the funds to bring an idea to life. To truly be impactful requires a set of capabilities and a fruitful environment. This is what we are building in a collaborative set up between ERSTE Foundation, Erste Group and a vivid network of non-profit-organisations. “Social Banking” is a broad ecosystem gathering around shared values to achieve common goals.

ERSTE Foundation focuses on creating this ecosystem. It opens the possibility to benefit from other organisations’ learnings. It prepares the ground for creating social businesses that are financeable. And it is a hub of Innovation in the field of societal development.

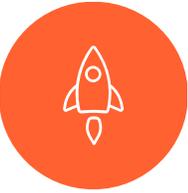
2023 proved that the combination of understanding the needs of the society and its relevant actors and providing the right financial and banking products can have tremendous impacts. Great examples will inspire others to follow, and together we will share, learn and adapt to make the future a better one.

Representing the Board of ERSTE Foundation, I want to express our thankfulness that what started with the idea of founding the “Zweite Sparkasse – The Bank for the Unbanked” – has undertaken such a remarkable development presenting ERSTE Stiftung’s different tailor-made offerings in all the countries where Erste Group displays its business. With this report, we demonstrate that we not only fulfill our founding fathers’ mission in creating access to our services where access is not a given. We also add a point of differentiation to Erste Group as the banking institution that stays open for all parts of the society to lead a better life.

Boris Marte, CEO ERSTE Foundation

# Our approach to Social Banking

## We foster Starting Entrepreneurs



**WITH**  
 → Working-capital loans  
 → Start-up loans



**AND PROVIDE**  
 → Business trainings  
 → Mentoring

**to create new jobs**

## We support Micro Businesses



**WITH**  
 → Working-capital loans  
 → Investment loans



**AND OFFER**  
 → Cash flow assessment  
 → Financial advisory

**to create and preserve jobs in rural areas**

## We empower Social Organisations



**WITH**  
 → Quasi-Equity financing  
 → Funding via SIBs\*  
 → Bridge and investment loans



**AND FACILITATE**  
 → Capacity building  
 → Networking

**to expand their social impact**

## We stand by People in financial difficulties



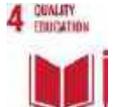
**WITH**  
 → Special accounts  
 → Housing micro loans



**AND CONDUCT**  
 → Debt advisory  
 → Financial education

**to improve their financial health and housing**

Supported United Nations Sustainable Development Goals:



\*SIB: Social Impact Bonds

# Impact assessment methodology

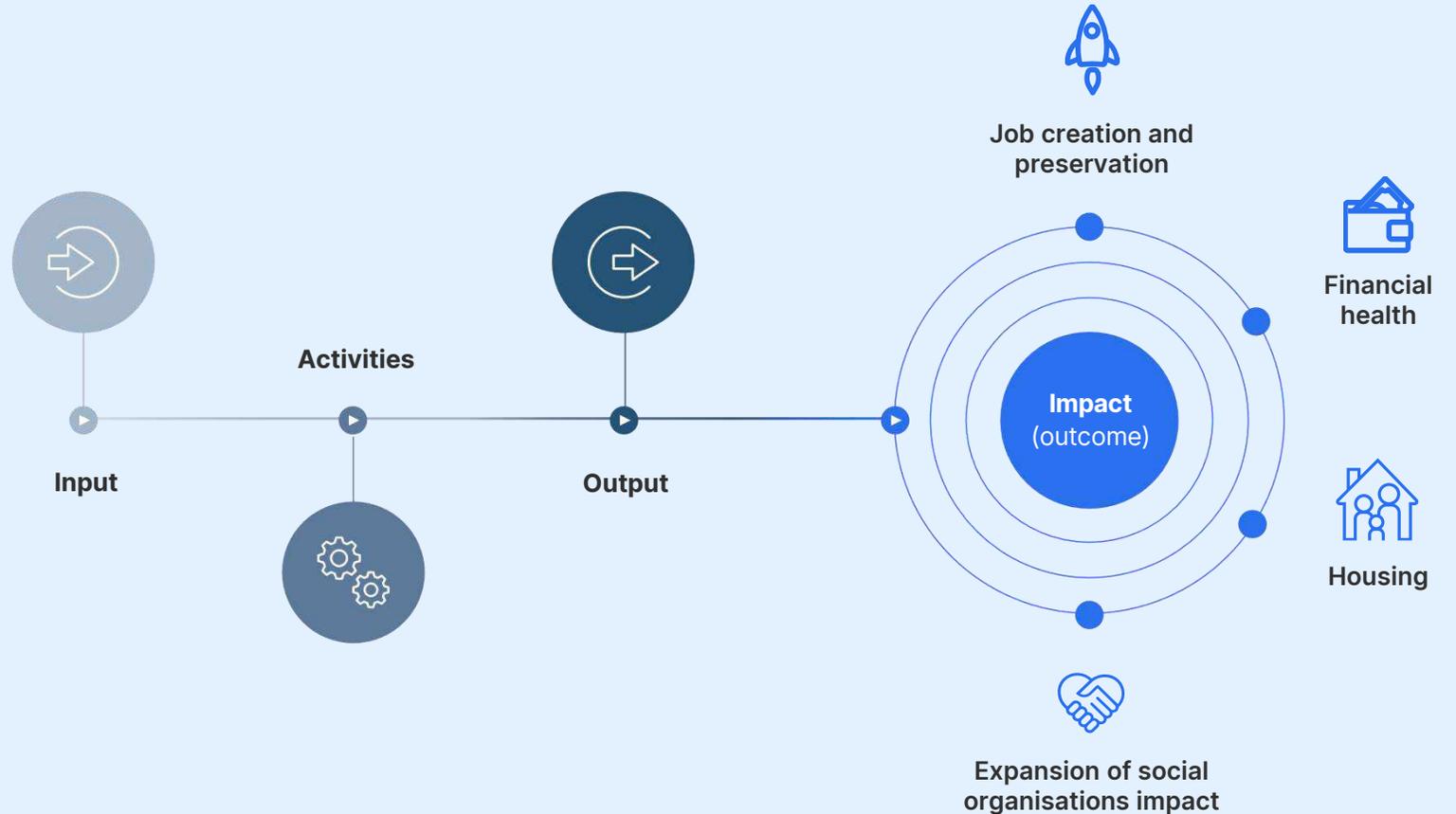
## RESEARCH APPROACH



The report focuses on the output of our activities and the direct and intended outcomes on our clients

**1.190** 

clients were interviewed



# Methodology Notes

## SURVEY



Social Banking Impact report is based on a representative sample of 1.190 Social Banking clients (thereof 375 starting entrepreneurs, 291 microentrepreneurs, 362 social organisations and 162 people in financial difficulties) that have been telephonically interviewed in 7 core markets of Erste Group (Austria, Croatia, Czech Republic, Hungary, Romania, Serbia and Slovakia).



Percentage data in the report are based on responses of the representative sample of interviewed Social Banking clients in the survey (slide 7 and 8 – all interviewed clients, slides 9 to 41 – all clients within the indicated customer segment).

## INTERNAL DATA



Absolute figures in the report such as number of clients, volume / number of disbursed loans, number of education participants (with the exception of number of preserved or created jobs) in the report are exact figures based on the internal information system and internally captured data.

## OVERALL

Absolute figures in slides with a tag „OVERALL“ represent the cumulative result since the launch of Social Banking in 2016.

## CALCULATION



Number of created or preserved jobs has been calculated using the following method: average number of jobs per financed client has been calculated based on the results of the representative sample in the survey and in the next step multiplied (extrapolated) by the respective total number of financed clients in the particular segment and timeframe.

# Overall Social Banking highlights

OVERALL

47.291 

supported clients

65.946 

education support beneficiaries

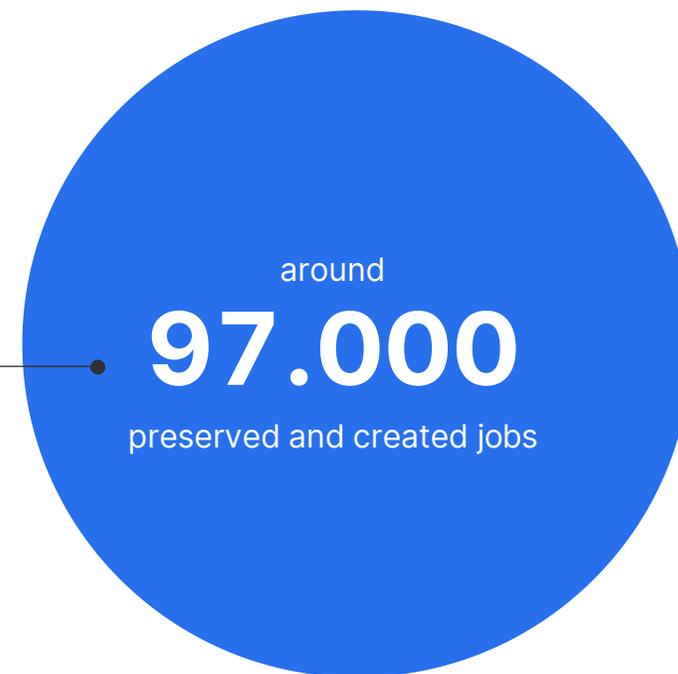
595,6 

mIn EUR of funding provided



67%

of clients improved their economic situation



around

97.000

preserved and created jobs

women

61%

socially marginalised people

30%



# 2023 Social Banking highlights

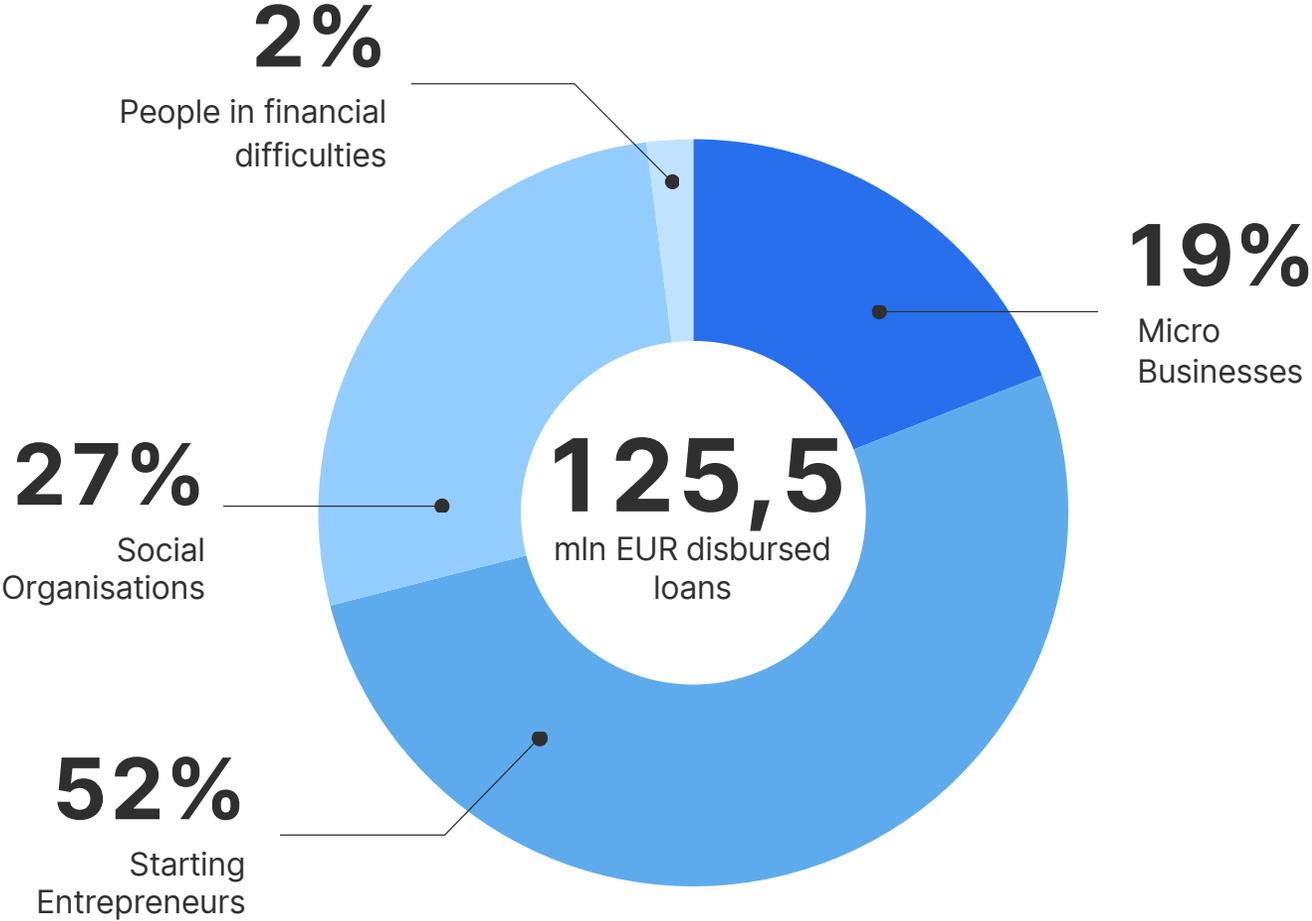
**6.444**   
supported clients

---

**17.444**   
education support beneficiaries

---

**125,5**   
mln EUR of funding provided





SOCIAL BANKING IMPACT REPORT

# Starting Entrepreneurs



# Our approach to Starting Entrepreneurs



## Identified problems

- Unemployment
- Limited or no access to financing



## Our solutions

- Providing start-up loans
- Delivering business trainings
- Offering e-learning
- Connecting to peers & partners
- Mentoring and business plan assessments

# Impact on Starting Entrepreneurs

OVERALL

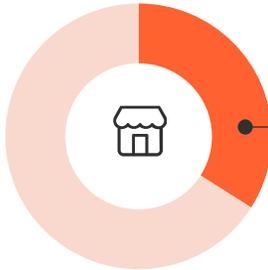
**10.012**   
financed clients

**46.796**   
education support beneficiaries

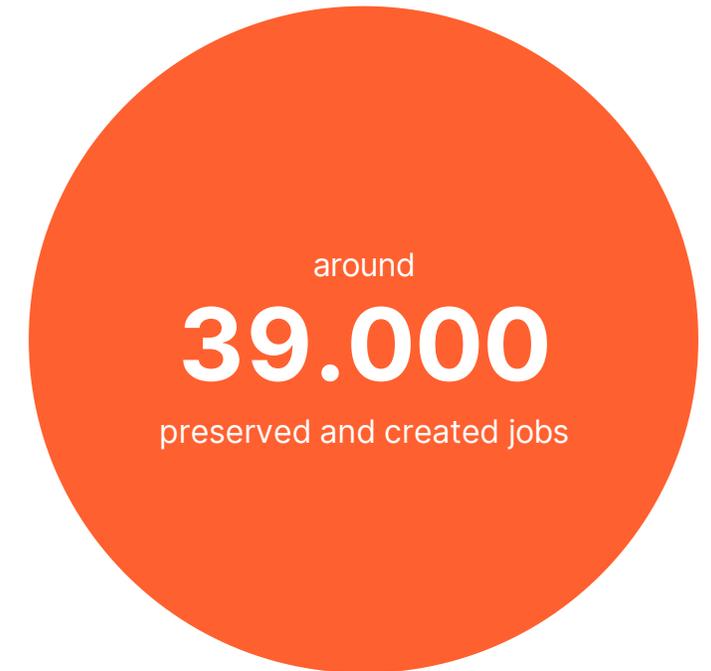
**255,9**   
mln EUR disbursed loans



**70%**  
improved their  
overall economic  
situation

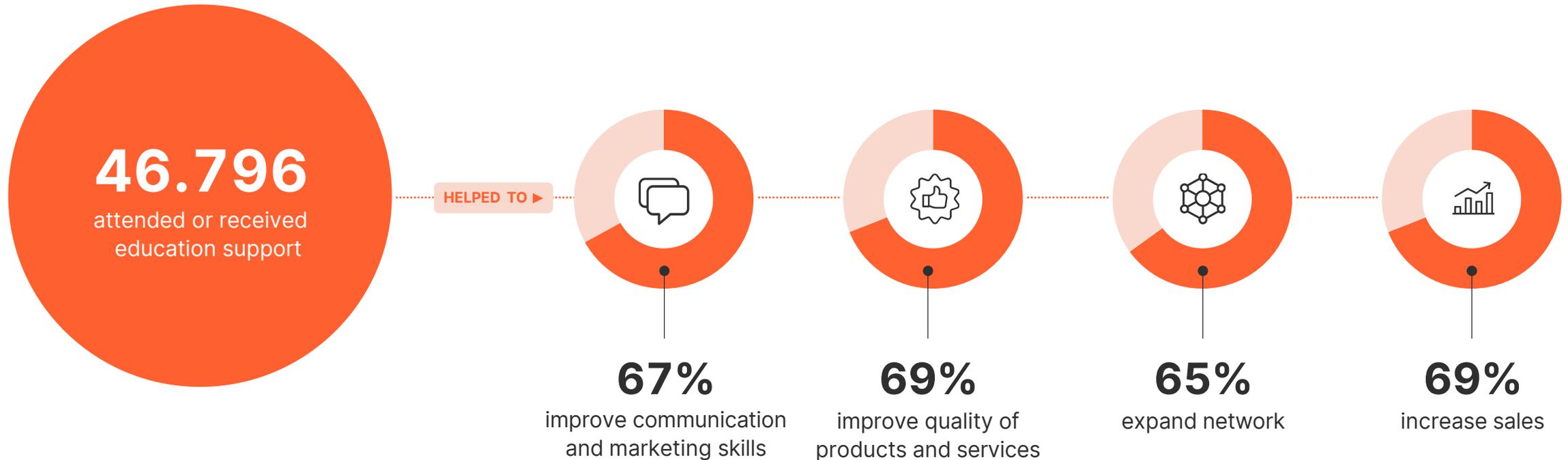


**34%**  
could not start or  
expand their business  
without our loan



# Education support impact

OVERALL

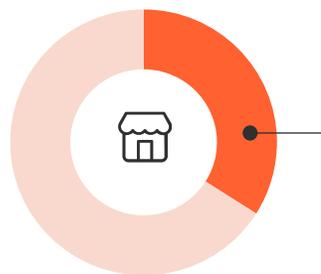


# Business creation

OVERALL



**70%**  
improved their  
overall economic  
situation



**34%**  
could not start or  
expand their business  
without our loan

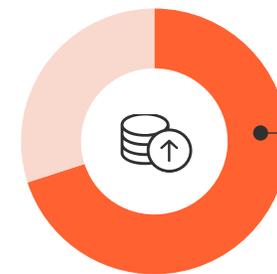
**24.013**   
opened current accounts

**8.623**   
provided loans

**255,9**   
mln EUR disbursed loans



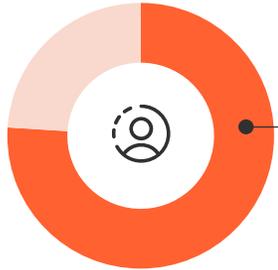
**81%**  
stated it was the right  
decision to start /  
have their business



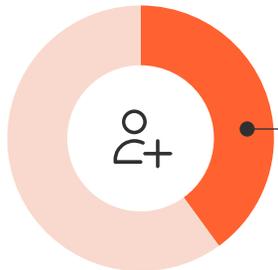
**70%**  
increased their  
business turnover

# Job creation and preservation

OVERALL



**76%**  
of all starting  
entrepreneurs  
**preserved jobs**



**44%**  
of all starting  
entrepreneurs  
**created jobs**

around  
**22.000**  
preserved jobs

women  
39%  
socially marginalised people

27%

around  
**17.000**  
created jobs

women  
68%  
socially marginalised people

26%

# Financial and personal life

73% 

could better cover unexpected private expenses

84% 

could always cover regular household expenses

64% 

felt more respected

86% 

had more faith in their skills and capabilities

75% 

could better overcome current economic difficulties

86% 

looked more optimistic towards own and family future



# Meet Yuriy

ONE OF OUR STARTING ENTREPRENEURS

 **Tesla Distribution**  
Croatia

"I have seven employees who are from Ukraine. I am trying to help, educate and lead them. We do the solar installations together."

## SOCIAL IMPACT

Fostering job opportunities for Ukrainian refugees, integrating them into the Croatian society and moving towards sustainable green energy sources.

## BUSINESS

Installation of solar panels.



WATCH VIDEO

Find out more about Yuriy's start up [here](#) →



MORE CLIENTS

Visit our [webpage](#) and meet more of [our clients](#) →



SOCIAL BANKING IMPACT REPORT

# Micro Businesses



# Our approach to Micro Businesses



## Identified problems

- Limited or no access to financing
- High unemployment in rural areas



## Our solutions

- Providing working capital and investment loans
- Micro-finance
- Cash flow assessment
- Financial advisory
- Mobile relationship managers visiting clients at home

# Impact of supporting Micro Businesses

OVERALL

**10.390**   
financed clients

**17.812**   
provided loans

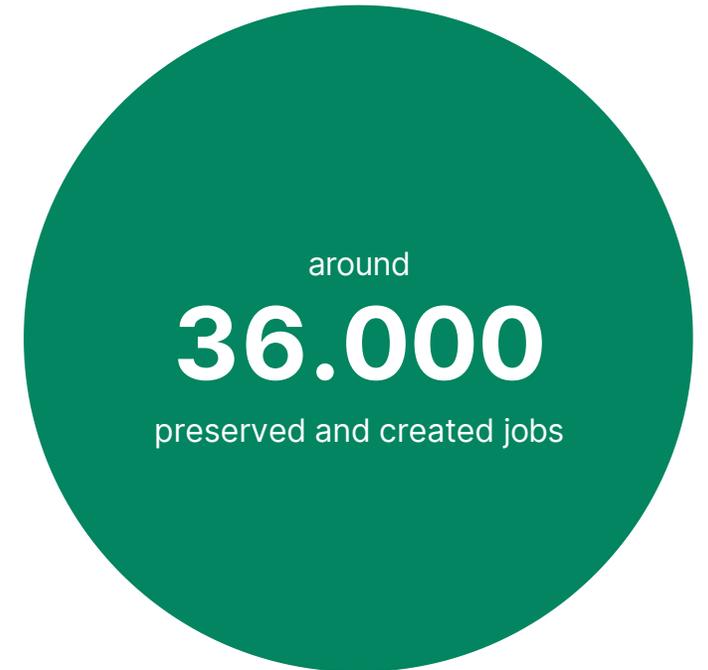
**166,3**   
mln EUR disbursed loans



**74%**  
are now in a better  
economic situation



**80%**  
stated it was the right  
decision to start their  
business

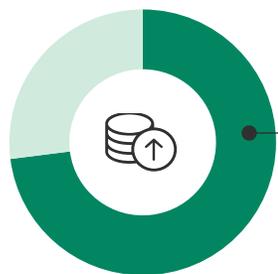


# Business growth

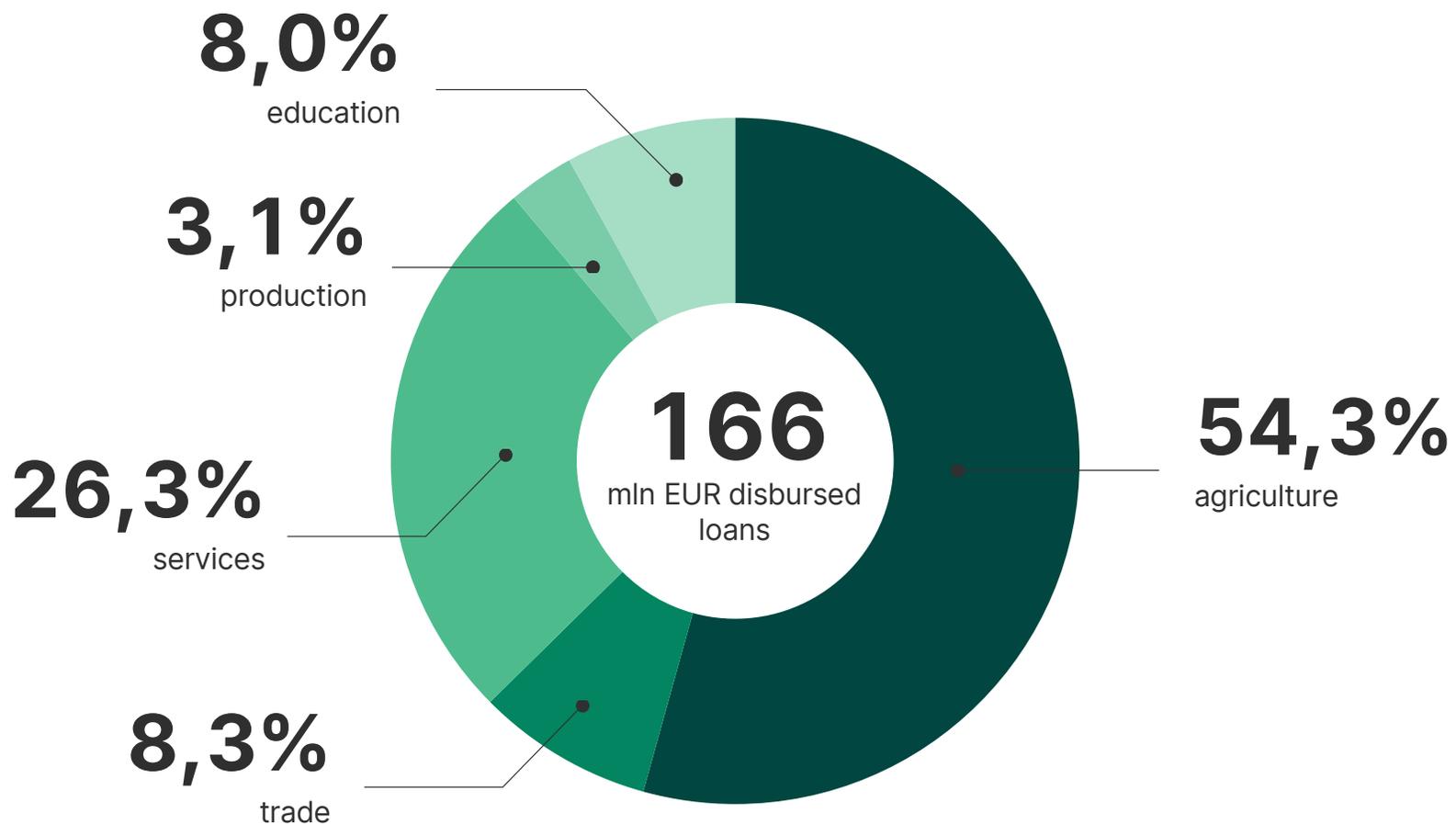
OVERALL



**45%**  
could only start or grow  
due to our loans



**73%**  
increased business  
turnover

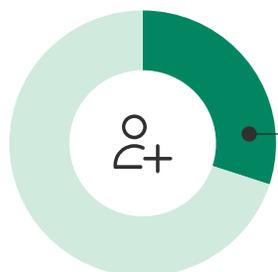


# Job creation and preservation

OVERALL



**87%**  
of all micro  
entrepreneurs  
**preserved jobs**



**30%**  
of all micro  
entrepreneurs  
**created jobs**

around  
**27.000**  
preserved jobs

women

34%

socially marginalised people

16%

around  
**9.000**  
created jobs

women

32%

socially marginalised people

25%

# Financial and personal life

90% 

could better cover unexpected private expenses

93% 

could always cover regular household expenses

85% 

felt more respected

92% 

had more faith in their skills and capabilities

89% 

could better overcome current economic difficulties

92% 

looked more optimistic towards own and family future



# Meet loan-Liviu

ONE OF OUR MICRO BUSINESSES CLIENTS

 **Mountain Blueberry**  
Romania

"We have a very positive impact on the community, because many people who were going to another country to work, have now the opportunity to stay in their country and work close to home."

## SOCIAL IMPACT

Generating employment opportunities in rural regions and reinvesting profits to further enhance job creation.

## BUSINESS

Production of blueberries.



WATCH VIDEO

Find out more loan-Liviu's micro business [here](#) →



MORE CLIENTS

Visit our [webpage](#) and meet more of [our clients](#) →



SOCIAL BANKING IMPACT REPORT

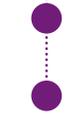
# Social Organisations



# Our approach to Social Organisations\*



## Identified problems



- Lack of business and financial know-how
- Poor access to financial products and services



## Our solutions



- Providing bridge and investment loans
- Providing mezzanine finance with Quasi-Equity
- Funding via Social Impact Bonds
- Offering training courses, accelerators and mentoring
- Facilitating pitching and networking events

# Impact on Social Organisations

OVERALL

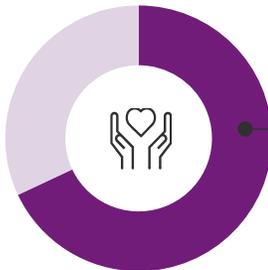
**1.220**   
financed clients

**15.703**   
education support beneficiaries

**164,9**   
mln EUR disbursed loans



**57%**  
are in a better  
economic situation  
than before

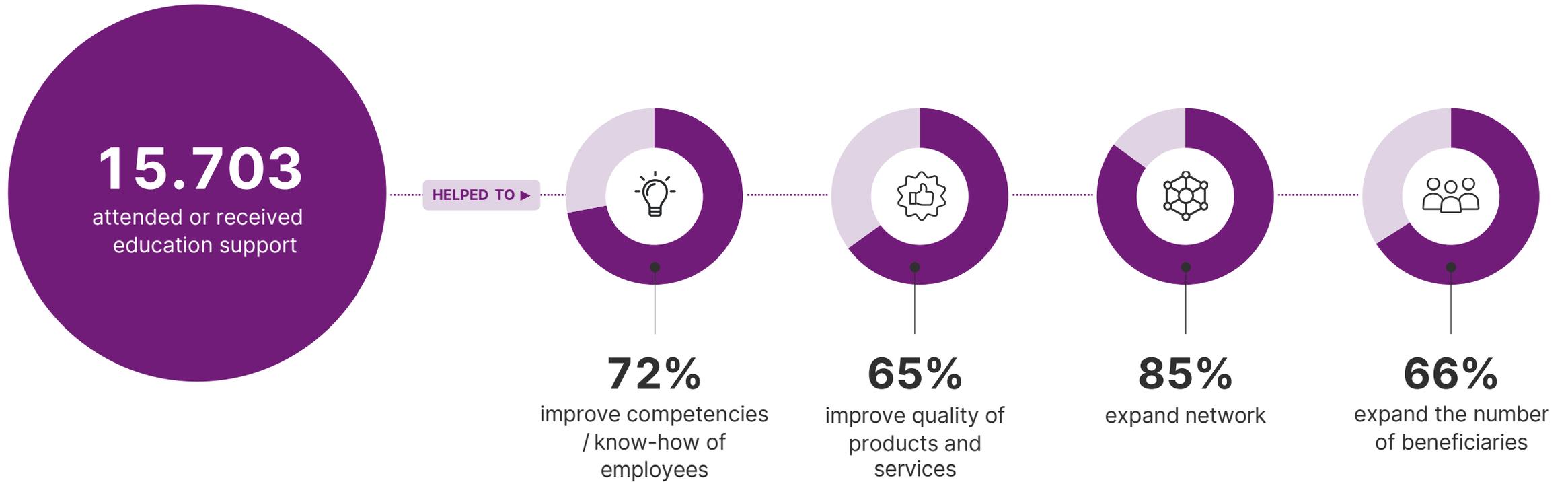


**68%**  
increased their  
social impact



# Education support impact

OVERALL



# Economic situation improvement

OVERALL

**1.220** 

financed clients

**1.614** 

provided loans

**164,9** 

mIn EUR disbursed loans



**66%**

secured sufficient liquidity / working capital



**62%**

increased existing or added new activities



**54%**

could better overcome current economic difficulties

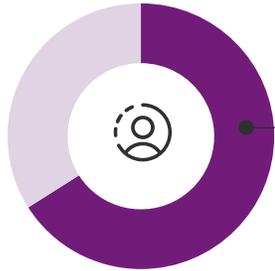


**51%**

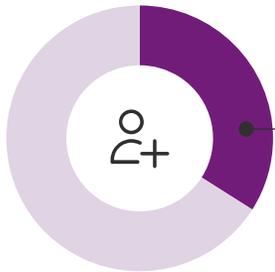
were able to increase annual turnover

# Job creation and preservation

OVERALL



**66%**  
of all social  
organisations  
**preserved jobs**



**34%**  
of all social  
organisations  
**created jobs**

around  
**17.000**  
preserved jobs

women

67%

socially marginalised people

34%

around  
**5.000**  
created jobs

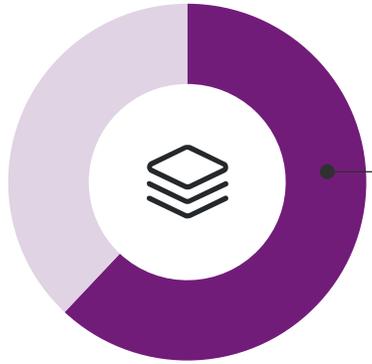
women

73%

socially marginalised people

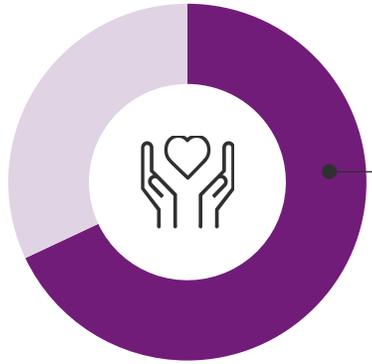
38%

# Mission fulfillment



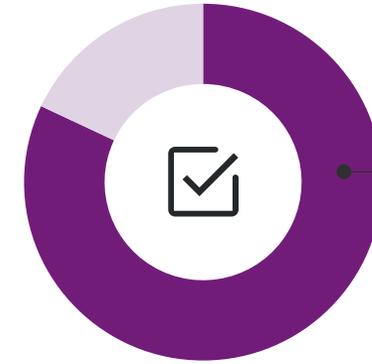
**62%**

succeeded to  
increase or add new  
activities



**68%**

increased their  
social impact



**82%**

managed to  
maintain the  
existing activities

## Impact areas of social organisations

**43%**



reduction of  
inequalities

**35%**



good health and  
well-being

**32%**



improvement of  
quality of education

**22%**

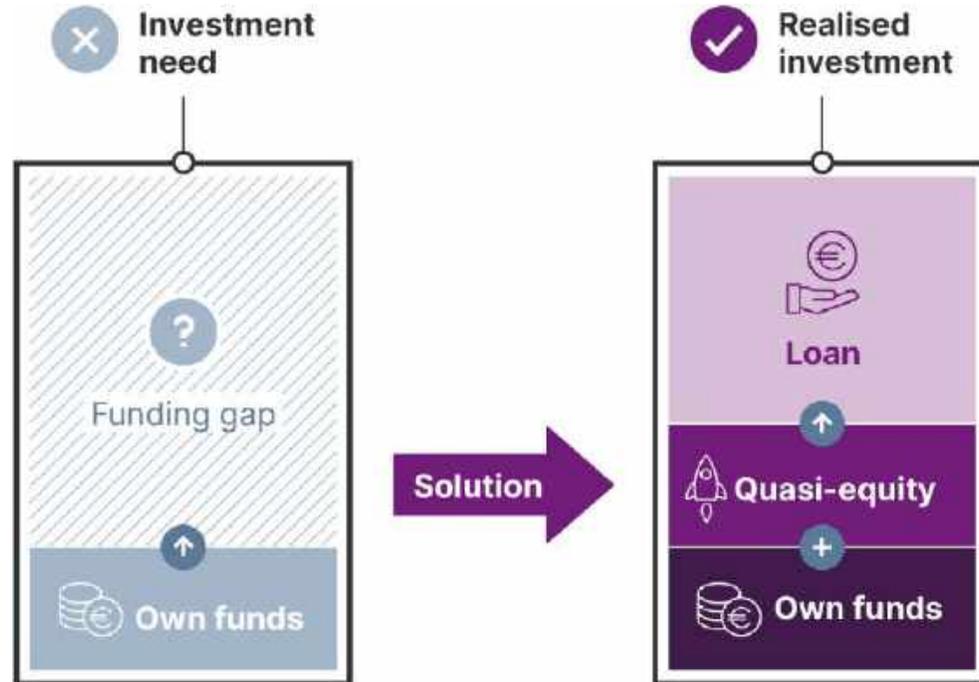


decent work and  
economic growth

# Providing mezzanine finance with Quasi-Equity

## PURPOSE

- scale social or green business
- develop social real estate



## OVERALL

7 

clients financed

26 

education participants

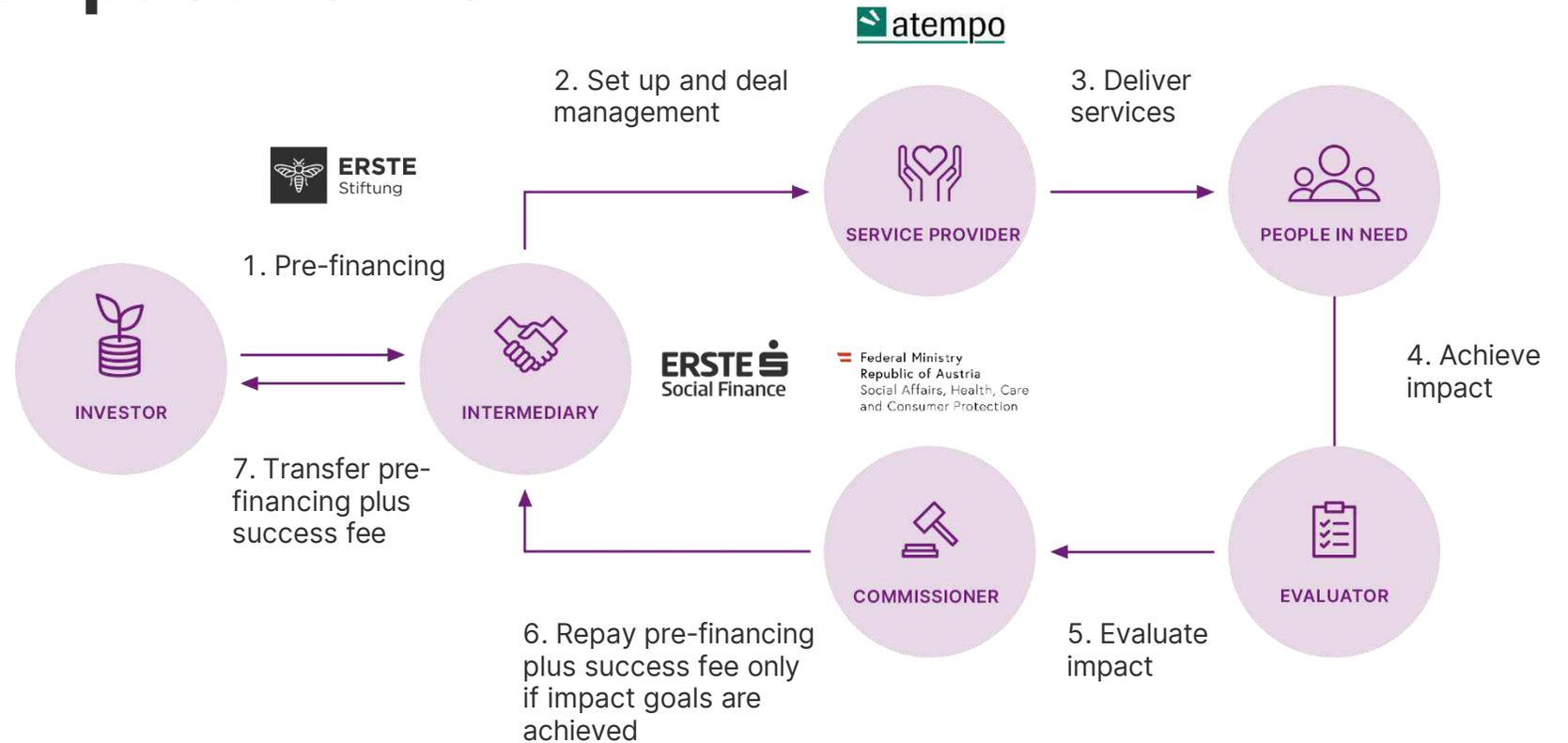
1,9 

mIn EUR disbursed Quasi-Equity

# Funding via Social Impact Bonds

## PURPOSE

- test new approaches to solve social issues
- reduce government spending
- encourage innovation
- foster collaboration in social and public sectors



## OVERALL

74

women received training

29.253

paid hours

52

women found a job

# Meet Cornelia and Andreas

TWO OF OUR SOCIAL ENTREPRENEURS

 **Unverschwendet**  
Austria

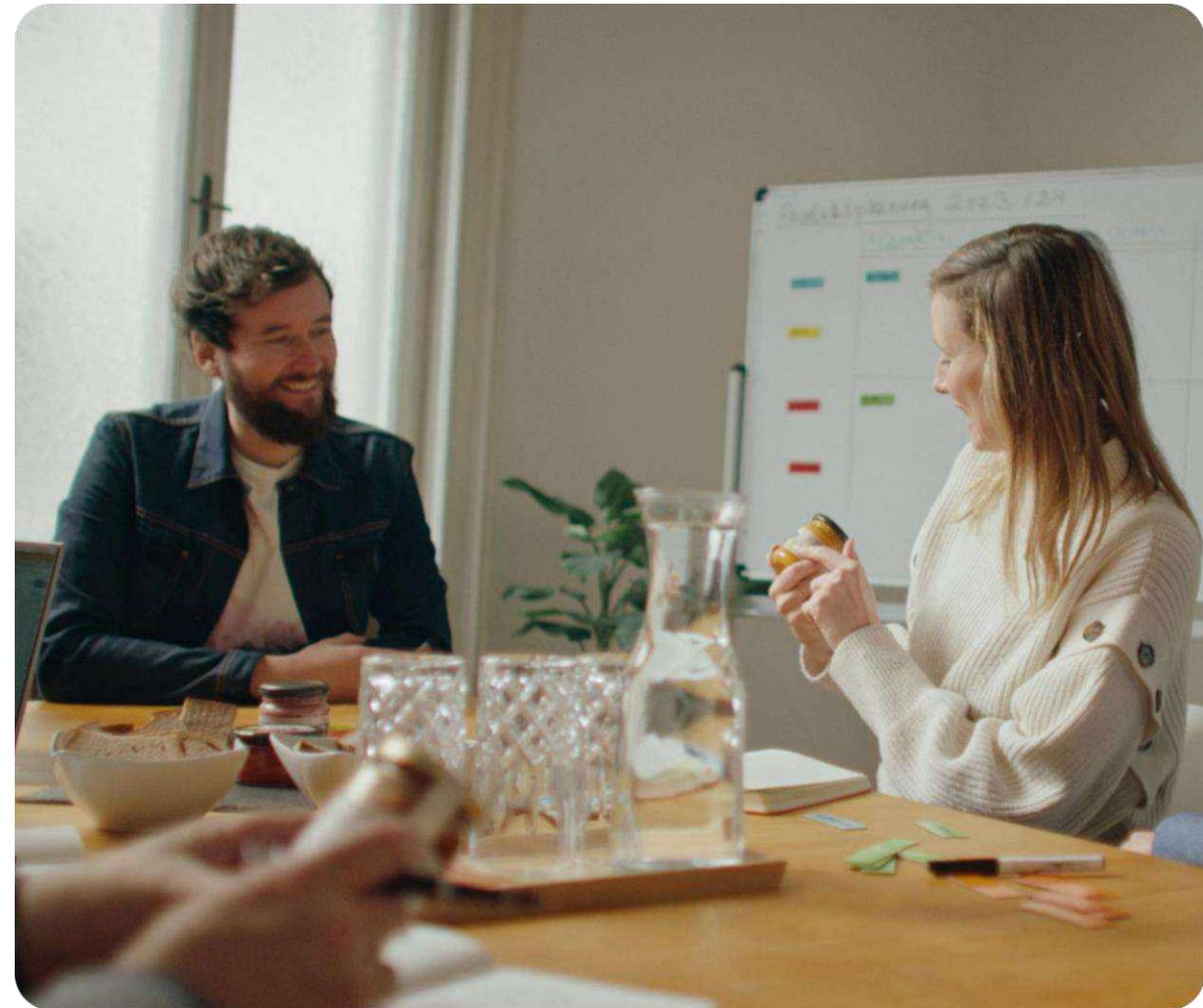
"This brings us even closer to our great mission and our dream of making rescued food easily accessible to as many people as possible."

## SOCIAL IMPACT

Conservation of biodiversity and minimalisation of food waste.

## BUSINESS

Food production from leftover fruits and vegetables.



WATCH VIDEO

**Find out more** about Cornelia's and Andreas's social enterprise [here](#) →



MORE CLIENTS

**Visit our webpage** and meet more of [our clients](#) →



SOCIAL BANKING ANNUAL REPORT

# People in financial difficulties



# Our approach to people in financial difficulties



## Identified problems

- Over-indebtedness and financial exclusion
- Lack of financial literacy
- Precarious housing condition



## Our solutions

- Enabling financial inclusion by offering bank accounts
- Offering individual consulting and debt advisory
- Social housing programs
- Providing financial education trainings

# Impact on people in financial difficulties

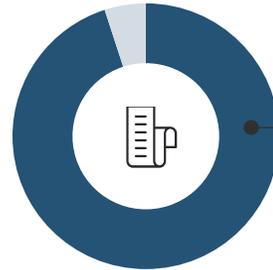
OVERALL

**23.740** 

clients supported via  
Zweite Sparkasse

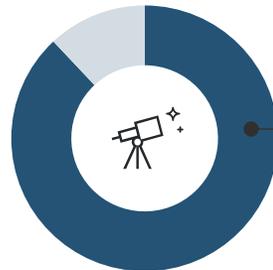
**1.266** 

clients supported via debt advisory



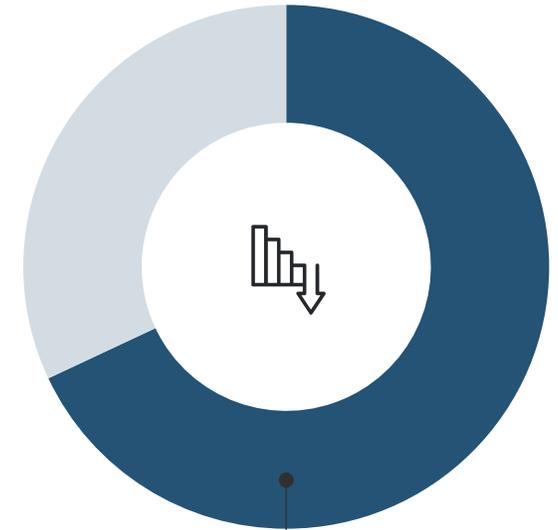
**95%**

can now pay regular  
expenses on time



**88%**

see more positive into  
their future now



**67%**

decreased their debt level

# Financial education and advisory

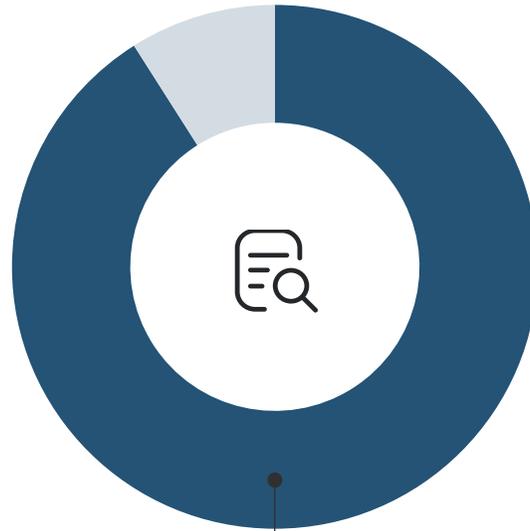
OVERALL

**1.335** 

received personal advisory

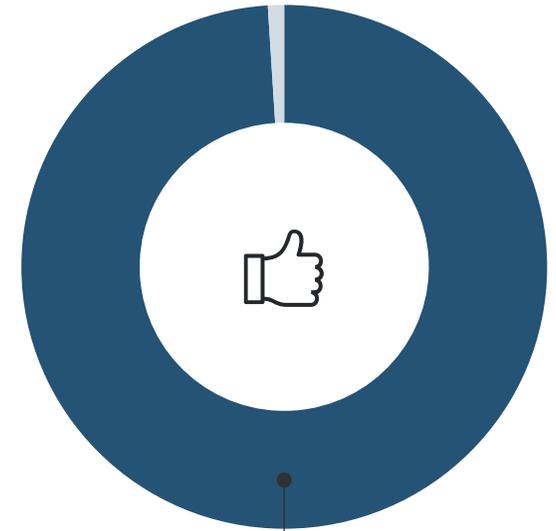
**6.893** 

hours of education and advisory provided



**91%**

improved their financial knowledge and got a better overview of their financial situation



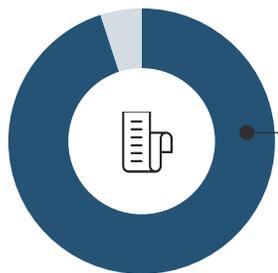
**99%**

found our support offer useful

# Providing decent housing

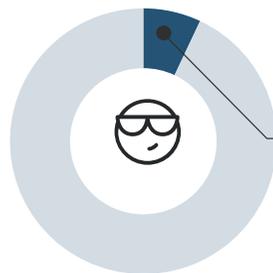


# Improving financial health



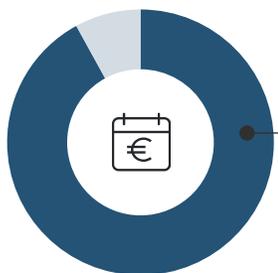
**95%**

can now pay regular expenses on time



**7%**

repaid all their debts



**92%**

can now pay debt obligations on time



**67%**

stated that their overall debt level rather decreased



# Personal life changes

82% 

are now less worried about  
their financial situation

88% 

look now more positively  
towards their future

72% 

feel healthier



# Meet Adriana

ONE OF OUR CLIENTS IN OUR HOUSING PROGRAM IN SLOVAKIA

 Program for socially marginalised people  
Slovakia

“NGO Projekt DOM.ov helped us quite a lot.  
They gave us a loan to finish the house.”

## SOCIAL IMPACT

Offering housing micro loans to socially marginalised people to enable access to decent and affordable housing.

## CLIENT CHALLENGE

Big families live in small illegally built houses without water or electricity, and without chances for a better life.



WATCH VIDEO

Find out more about Adriana's challenges [here](#) →



MORE CLIENTS

Visit our [webpage](#) and meet more of [our clients](#) →

## Erste Group Social Banking Team

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**PETER ŠUREK**

**Head of Group Social Banking**  
[peter.surek@erstegroup.com](mailto:peter.surek@erstegroup.com)



**JOHANN HEEP**

**Social Banking Expert**  
[johann.heep@erstegroup.com](mailto:johann.heep@erstegroup.com)



**MARGIT MAYR**

**Social Banking Expert**  
[margit.mayr@erstegroup.com](mailto:margit.mayr@erstegroup.com)



**FLORIAN OTT**

**Social Banking Expert**  
[florian.ott@erstegroup.com](mailto:florian.ott@erstegroup.com)



**LUCIJA DUZEL**

**Marketing Manager**  
[lucija.duzel@erstesocialfinance.com](mailto:lucija.duzel@erstesocialfinance.com)



**RAPHAEL LEHMANN**

**Impact Investment Manager**  
[raphael.lehmann@erstesocialfinance.com](mailto:raphael.lehmann@erstesocialfinance.com)



**VANJA ŠIRBEGOVIĆ**

**Assistant**  
[vanja.sirbegovic@erstesocialfinance.com](mailto:vanja.sirbegovic@erstesocialfinance.com)

# ERSTE | Social Banking Group



WATCH VIDEO

Visit our YouTube playlist  
and meet more of [our clients](#) →



MORE CLIENTS

Find out more about  
Social Banking [here](#) →

## Social Banking Impact Report 2023

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