Social Banking
Annual Report 2022
At risk-of-poverty situation in Erste Group markets

- **Persons at risk-of-poverty or social exclusion as a percentage of the total population**
- **Number of persons (in million) at risk-of-poverty or social exclusion**

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage</th>
<th>Number of Persons (in million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Czech Republic</td>
<td>11%</td>
<td>1.1 m</td>
</tr>
<tr>
<td>Slovakia</td>
<td>17%</td>
<td>0.8 m</td>
</tr>
<tr>
<td>Hungary</td>
<td>19%</td>
<td>1.8 m</td>
</tr>
<tr>
<td>Austria</td>
<td>17%</td>
<td>1.5 m</td>
</tr>
<tr>
<td>Croatia</td>
<td>21%</td>
<td>0.8 m</td>
</tr>
<tr>
<td>Serbia</td>
<td>29%</td>
<td>2.0 m</td>
</tr>
<tr>
<td>Romania</td>
<td>34%</td>
<td>6.5 m</td>
</tr>
</tbody>
</table>

**Source:** EUROSTAT

**Indirect presence in CEE**
Our approach to Social Banking

We foster Starting Entrepreneurs
- We foster Starting Entrepreneurs
- We support Microfinance Businesses
- We empower Social Organisations
- We stand by People in financial difficulties

Supported United Nations Sustainable Development Goals:

*SIB: Social Impact Bond
Social Banking Overall*

- **5%** People in financial difficulties
- **27%** Social Organizations
- **39%** Starting Entrepreneurs
- **29%** Microfinance Businesses

- **485 mln EUR** funding provided

- **41,493** social banking clients
- **17,052** financed clients
- **48,664** education participants

*Overall includes the results from the launch of Social Banking in 2016 till 2022
Social Banking in 2022

- **16%** People in financial difficulties
- **40%** Social Organizations
- **60 mln EUR** funding provided
- **11%** Starting Entrepreneurs
- **33%** Microfinance Businesses

**9,853** social banking clients

**1,315** financed clients

**14,318** education participants
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

**OVERALL**
- **6,398** financed clients
- **34,568** education participants
- **191** mln EUR disbursed loans
Support in 2022

- 8,162 total education hours
- 371 financed clients
- 10,785 education participants
- 6.4 mln EUR disbursed loans

62% Networking events
17% Business trainings and seminars
10% Erste e-learning platform
11% Mentoring
Meet Emília and Eva

TWO OF OUR STARTING ENTREPRENEURS

Anemonka
Slovakia

“We went into business together, so there are two of us for everything. We knew how to pull each other and pursue our dreams, even if the beginnings were not easy at all.”

SOCIAL IMPACT
Women self-employment and promotion of nature preservation

BUSINESS
Horticulture and florist in Lúčnia nad Žitavou

Visit our webpage and meet more of our clients
Microfinance Businesses
Our approach to microfinance businesses

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

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

**Overall**
- 9,604 financed clients
- 16,116 provided loans
- 142 mln EUR disbursed loans
Financial support in 2022

- **718** financed clients
- **1.533** provided loans
- **13.000** EUR average loan amount

**20 mln EUR disbursed loans**

- 56% Agriculture
- 13% Others
- 7% Services
- 9% Transport
- 15% Trade
Meet Ioan-Liviu

ONE OF OUR MICROFINANCE CLIENTS

Mountain Blueberry
Romania

“In 2022 we purchased a drone with which we perform a part of the maintenance works. We do not want to stop here! Our plans are to benefit from all the advantages that technology can offer us in the future so we can have a modern plantation.”

SOCIAL IMPACT

Providing jobs in rural areas and reinvesting profit to create even more jobs

BUSINESS

Production of blueberries

Visit our webpage and meet more of our clients
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
→ Quasi-equity and SIB
→ Offering training courses, accelerators and mentoring
→ Facilitating pitching and networking events

OVERALL
1.005 financed clients
13.620 education participants
130 mln EUR disbursed loans
Support in 2022

- Business trainings and seminars: 65%
- Networking events: 25%
- Erste e-learning platform: 2%
- Mentoring: 8%

Total education hours: 15,221
Education participants: 3,051
Financed clients: 183
Loans disbursed: 23 mln EUR
Quasi-equity

PURPOSE

- To scale social or green business
- To develop social real estate

OVERALL

4 financed clients
26 education participants
1,2 mln EUR disbursed quasi-equity

Investment need
Funding gap
Own funds

Quasi-equity
Loan
Own funds

Realised investment

Solution
Social impact bond Austria

→ empower unemployed women to become assistants for people with disabilities
→ support the independence and quality of life of people with disabilities

OVERALL

595 women completed the training
15,500 hours of provided assistance
300,000 EUR overall budget
Meet David

ONE OF OUR SOCIAL ENTREPRENEURS

Organic Tools
Austria

“It is important for us to think holistically and not just look at CO2 and try to reduce emission, but to accompany the entire change in agriculture and support the people who work with it every day with a proper tool.”

SOCIAL IMPACT

Preservation of biodiversity and reduction of food waste

BUSINESS

Production of fruit collector and sorting solution with rechargeable batteries

WATCH VIDEO
Find out more about David’s social enterprise here

MORE CLIENTS
Visit our webpage and meet more of our clients

ERSTE Group
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

**OVERALL**

22,433 clients supported via Zweite Sparkasse
1,007 clients supported via debt advisory
1,042 clients supported via housing programs

**OUR SOLUTIONS**

→ Enabling financial inclusion by offering bank accounts
→ Offering individual consulting and debt advisory
→ Housing program
→ Providing financial education trainings
Support for people in financial difficulties in 2022

- **8,579** supported clients
- **5%** via housing programs
- **94%** via Zweite Sparkasse
- **476** education participants
- **1,813** number of current and saving accounts
- **9,6** mln EUR restructuring & housing loans
Meet Sabina

ONE OF OUR CLIENTS IN ZWEITE SPARKASSE

Austria

“It took me a long time before approaching debt counseling. Simply because you’re ashamed and always think that somehow maybe you can still make it, maybe you can somehow get out of it. But that’s not possible without help.”

SOCIAL IMPACT

Zweite Sparkasse supports people in financial difficulties to re-gain control of their money and be again financially healthy

CLIENT CHALLENGE

Over-indebtedness because of difficult family situation

Find out more about Sabina’s challenges here ➔

Visit our webpage and meet more of our clients ➔
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Visit our Youtube playlist
and meet more of our clients

Find out more about
Social Banking here

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WATCH VIDEO
MORE CLIENTS
Social Banking Annual Report 2022

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