

# Social Banking Impact Report 2019

**ERSTE**  **stepbystep**   
Group

supported by



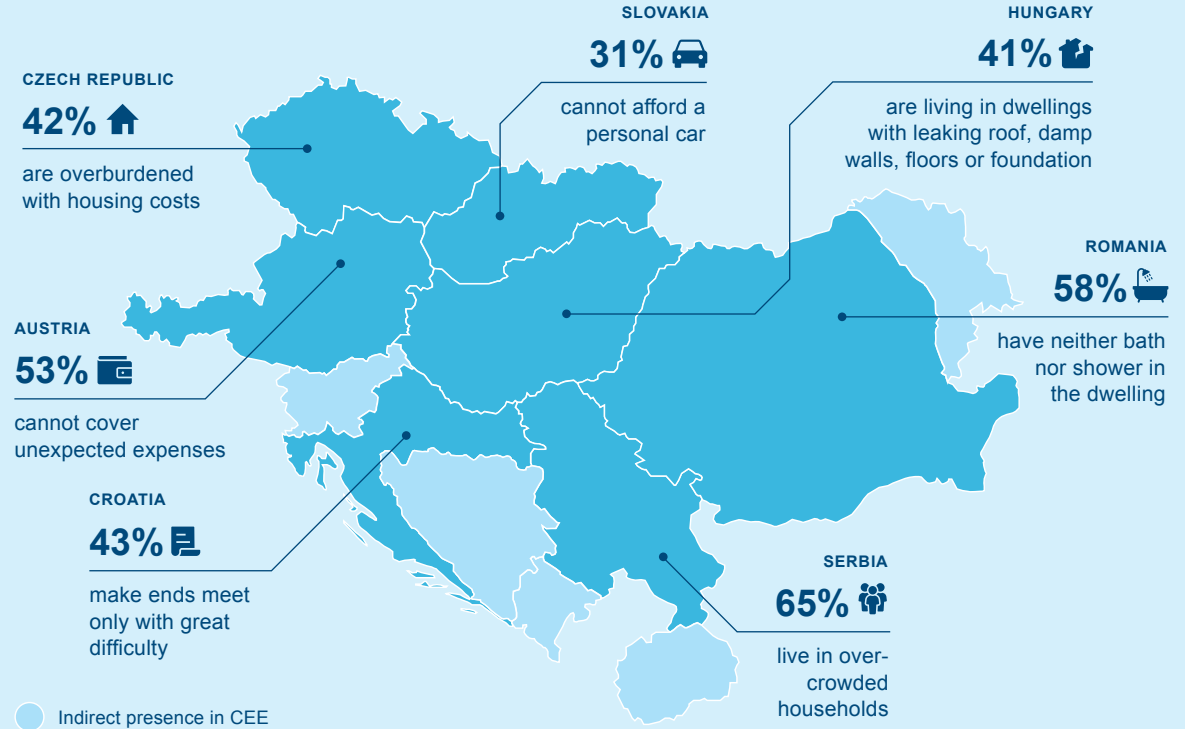
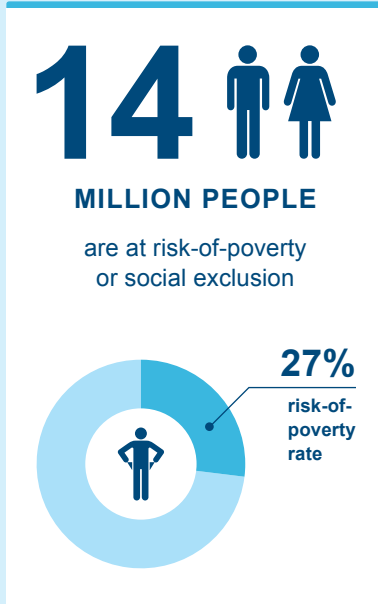
**ERSTE**  
Stiftung

THE FUTURE IS YOURS.

**200**  
YEARS

#BELIEVEINYOURSELF

# The risk-of-poverty situation in Erste Group markets



# Our approach to Social Banking

## We foster Starting Entrepreneurs

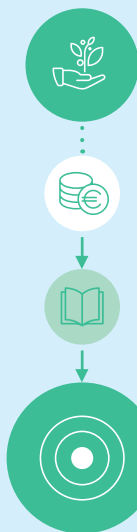


WITH  
→ Working-capital loans  
→ Start-up loans

AND PROVIDE  
→ Business trainings  
→ Mentoring

to create  
new jobs

## We support Microfinance Businesses

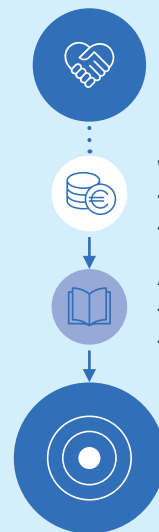


WITH  
→ Working-capital loans  
→ Investment loans

AND OFFER  
→ Cash flow assessment  
→ Financial advisory

to create and preserve  
jobs in rural areas

## We empower Social Organisations

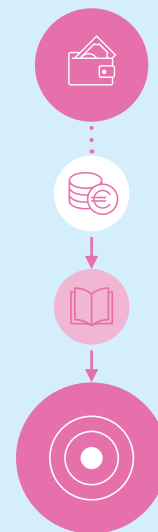


WITH  
→ Bridge loans  
→ Investment loans

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 reach financial  
stability

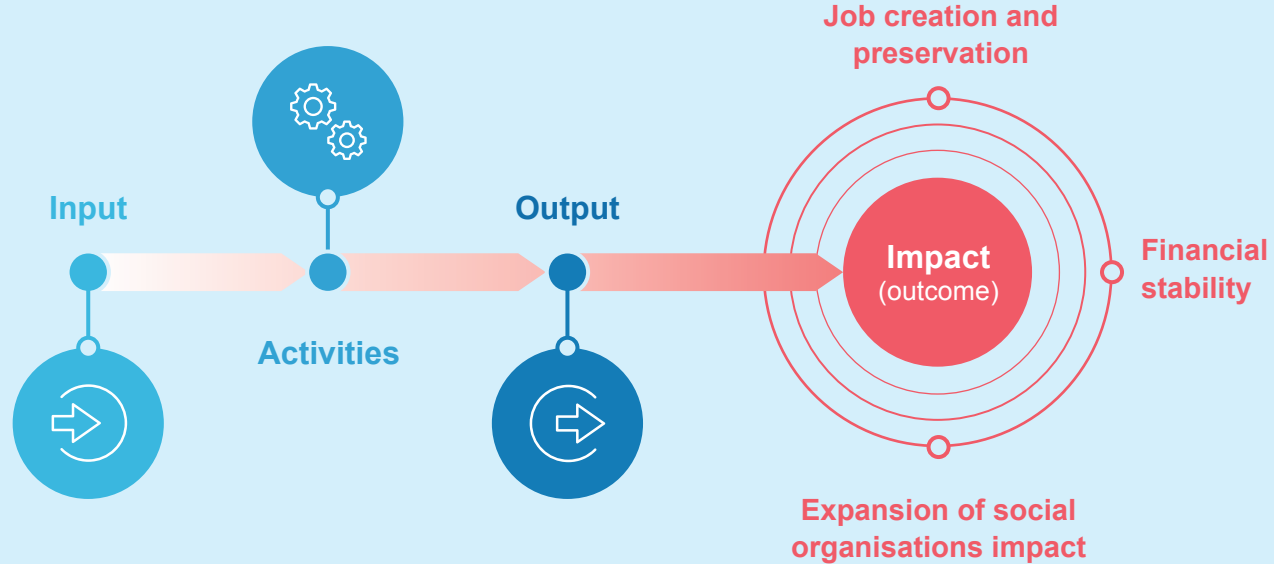
# Impact assessment methodology

## Research approach

The report focuses on the **output** of the Social Banking offer and the **direct and intended outcomes** on our clients

**1.334**   
clients were interviewed

## Impact value chain:



Supported United Nations Sustainable Development Goals:



# Social Banking impact highlights

**30.081** 

supported clients

**11.543** 

clients received education and support

**234,8** 

mIn EUR disbursed loans



**67%**

of clients improved their economic situation

**15.362**

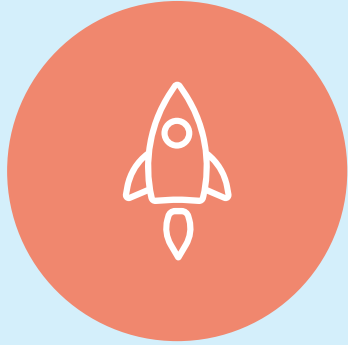
new created jobs

**29.535**

preserved jobs

**44.897**

preserved and created jobs



# Starting Entrepreneurs



Silvija | Croatia

# Our approach to starting entrepreneurs

## Identified problems

- Unemployment
- Limited or no access to financing



The Impact  
**Creating new jobs**



# Impact on starting entrepreneurs

**3.079** 

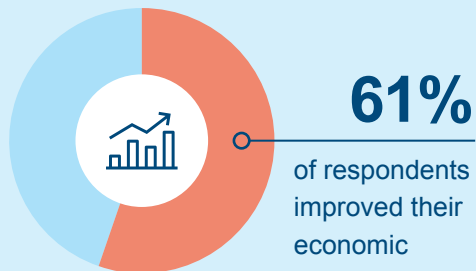
financed clients

**8.490** 

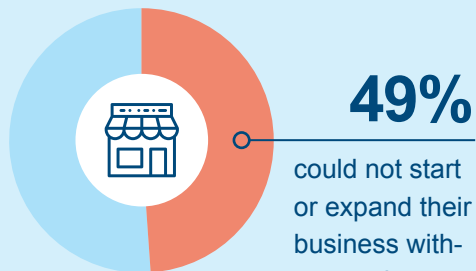
education participants

**80,7** 

mIn EUR disbursed loans



**61%**  
of respondents improved their economic situation

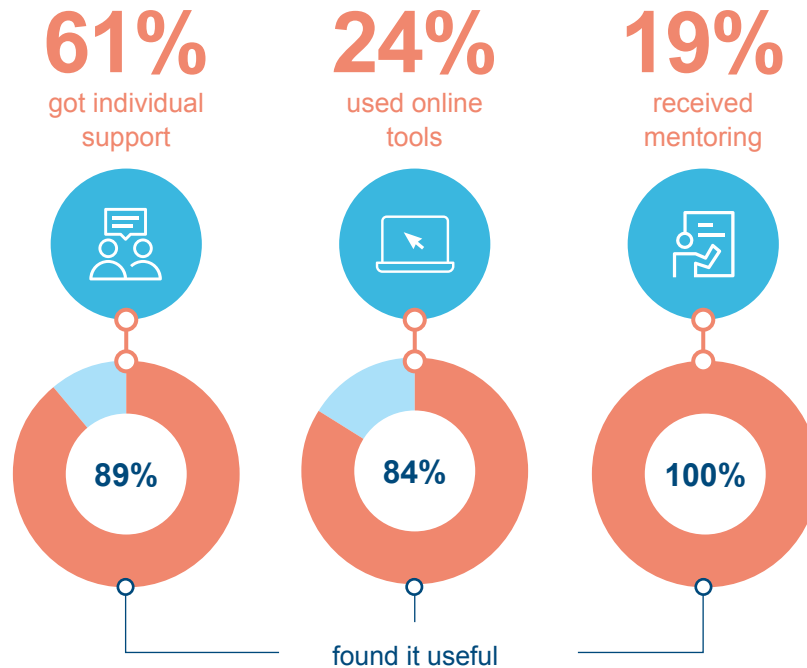


**49%**  
could not start or expand their business without our loan

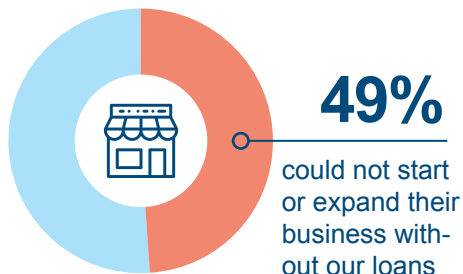
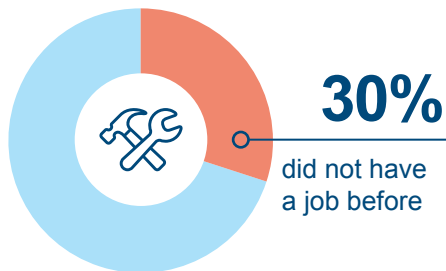




# Training and mentoring

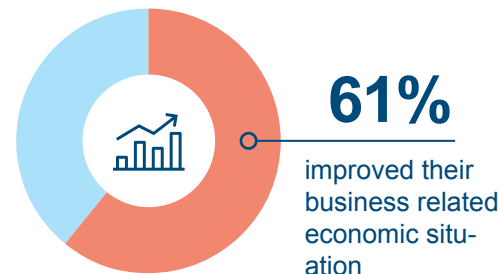
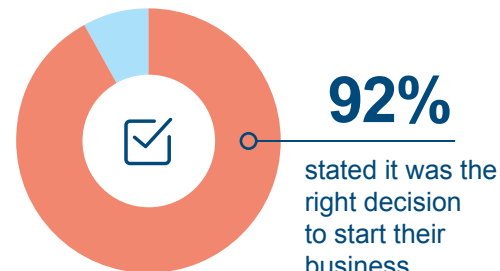


# Business creation



**3.079**   
financed clients

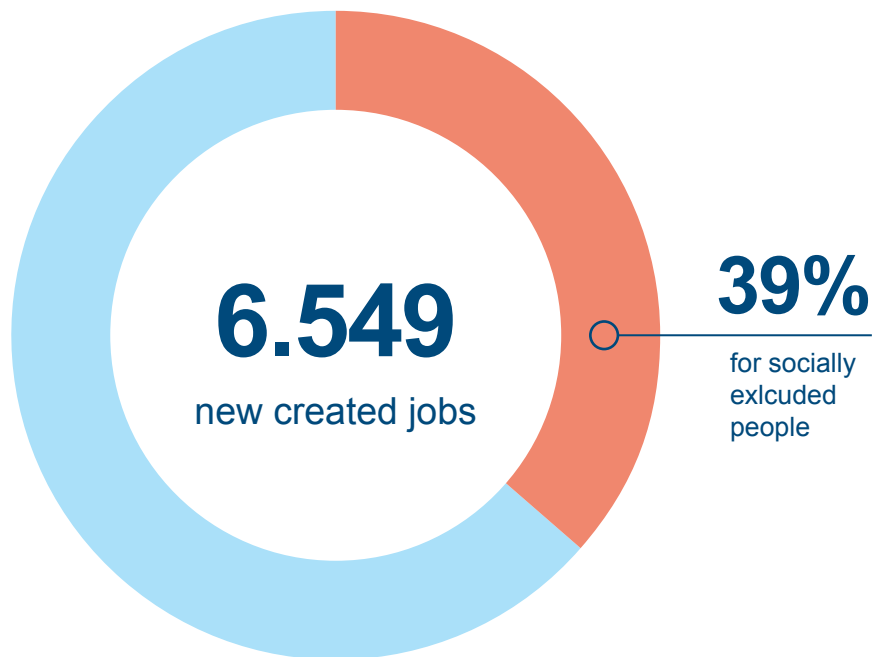
**80,7**   
mln EUR disbursed loans



# Job creation

2,1 

new jobs created on average  
by each starting entrepreneur



## Top business areas



service  
provider



retail  
trade



health care/  
social assistance



catering/  
gastronomy



food  
industry

# Personal life

50% 

can better cover unexpected private expenses

43% 

feel more respected by their family and friends

69% 

are now more optimistic about future

68% 

are now more motivated to get things done





# Meet Silvija

one of our starting entrepreneurs



**Social Impact:** currently providing employment for 3 women who were long time unemployed



**Ethereal  
textile production  
Croatia**

“Believe in yourself and never give up on your dreams. You have to be persistent and fight for what you want.”



**Business:** production of children’s textiles made of organic cotton and bamboo fabric



**Find out more about Silvija’s sustainable business [here](#)**



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



# good.bee Credit

ROMANIA



Maria | Romania

# 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
- Cash flow assessment
- Financial advisory
- Identifying growth potentials
- Mobile relationship managers visiting clients at home



## The Impact

**Creating and preserving jobs in rural areas**



# Impact of supporting microfinance businesses

**6.967** 

financed clients

**10.839** 

provided loans

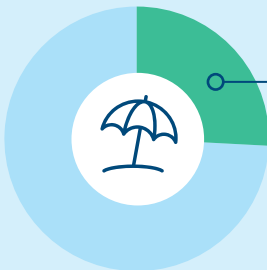
**81,3** 

mIn EUR disbursed loans



**87%**

are now in a better economic situation



**26%**

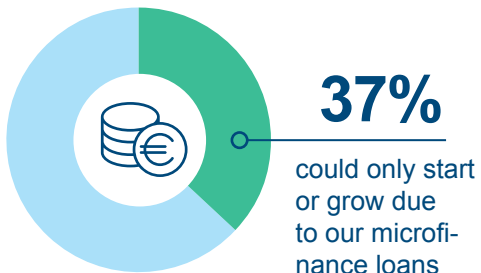
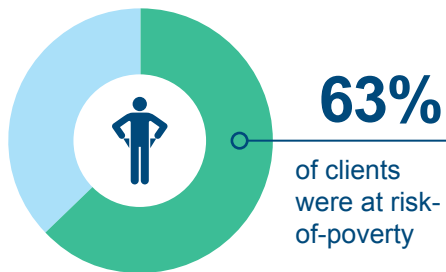
improved their living conditions

**25.433**

preserved and created jobs



# Business growth



6.967



financed clients

10.839



provided loans

81,3



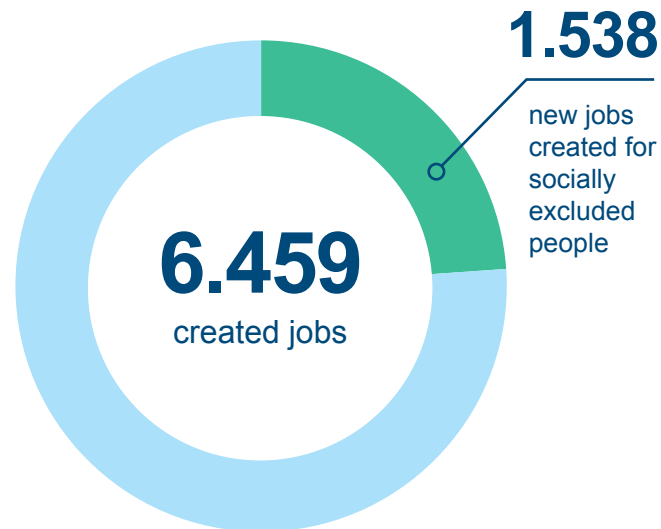
mIn EUR disbursed loans



# Job creation and preservation

**0,6** 

new jobs created on average per loan



## Top business industries:



Agriculture



Live-stock breeding



Transport and communication



Retail trade



Education and health

# Financial and personal life

80% 

believe now more in their own skills and capabilities

72% 

improved their community relationships

80% 

have a better overview of their financial situation

80% 

can better cover unexpected private expenses

26% 

improved their living conditions

79% 

have now a more optimistic outlook towards their future





# Meet Maria

one of our microfinance clients



**Social Impact:** self-employment, strengthening of local food production and improving living conditions



**Sheep Farm**  
Romania

“The most important thing in life is that we are good and healthy and we are able to work.”



**Business:** Production of lambs, milk, cheese



Find out more about Maria and her family business [here](#)



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



# Social organisations



Hannah | Austria

# 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
- Conducting training courses and accelerators
- Offering mentoring and social business plan assessments
- Facilitating pitching and networking events
- Buying social products and using social services

The Impact  
**Expanding  
the impact  
of social  
organisations**



# Impact of empowering social organisations

**602** 

financed clients

**2.613** 

education participants

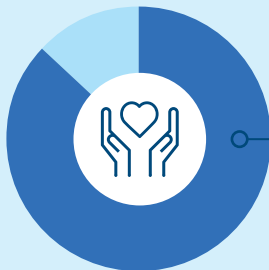
**71,6** 

mIn EUR disbursed loans



**67%**

are in a better economic situation than before



**87%**

better fulfil social impact goals/mission

**12.915**

preserved and created jobs

# Capacity building

**2.613** 

education participants

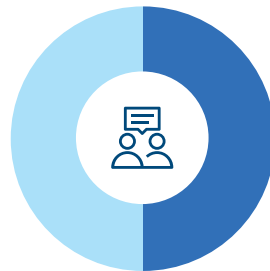
**9.620** 

education hours were received  
by clients

**93%** 

of participants found  
training offer useful

## Offer usage per type:



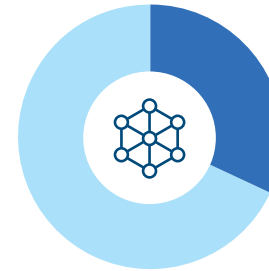
**50%**

individual  
support



**50%**

classroom  
training/  
workshop



**32%**

partnership/  
network event



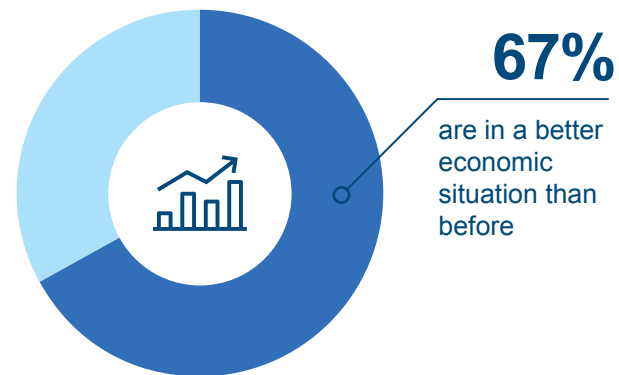
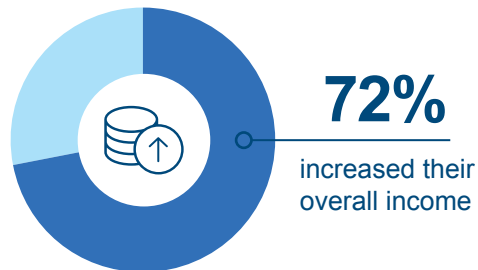
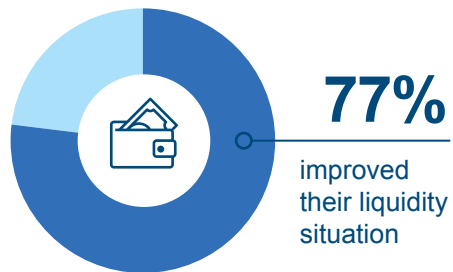
# Economic situation improvement

**602** 

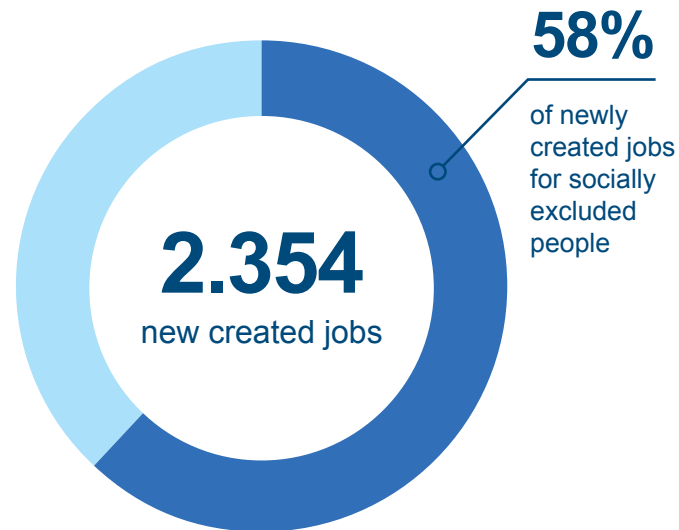
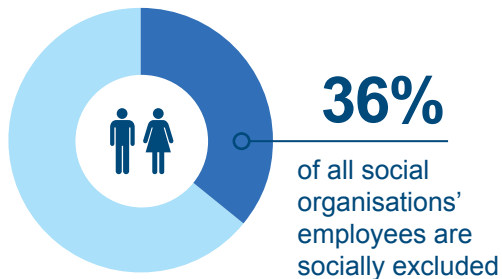
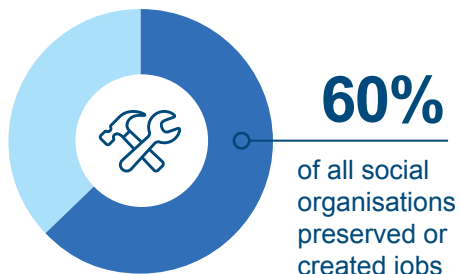
financed clients

**71,6** 

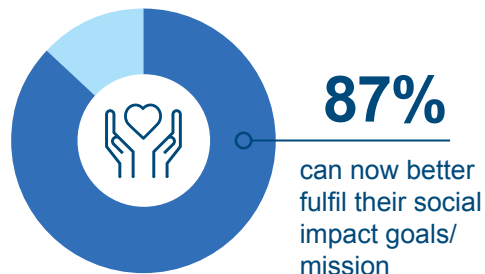
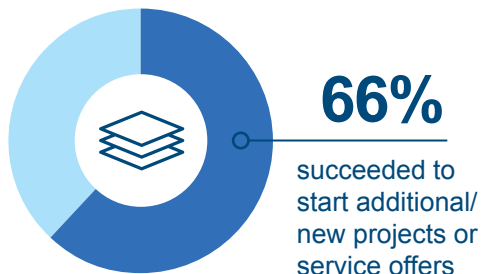
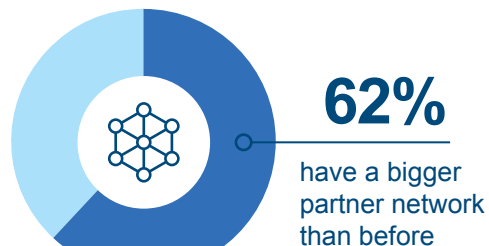
mln EUR disbursed loans



# Job creation and preservation



# Mission fulfilment



**123.303**   
socially excluded beneficiaries

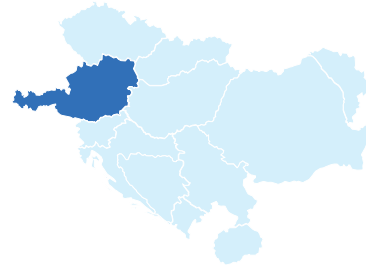


# Meet Hannah

one of our social entrepreneurs



**Social Impact:** employing senior citizens living on minimum pension or those who live alone



## Vollpension

intergenerational coffee house

Austria

“Believe in yourself and never give up on your dreams. You have to be persistent and fight for what you want.”



**Business:** Coffee house where ‘grandmas’ and ‘grandpas’ serve their self-made cakes and sweets



Find out more about Hannah’s sustainable business [here](#)



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



## People in financial difficulties



Jutta | Austria

# Our approach to people in financial difficulties

## Identified problems

- Over-indebtedness and financial exclusion
- Lack of financial literacy



## Our solutions

- Enabling financial inclusion by offering bank accounts
- Offering individual consulting and debt advisory
- Recovery of over-indebted clients
- Providing financial education trainings
- Supporting clients via partners and social organisations

## The Impact

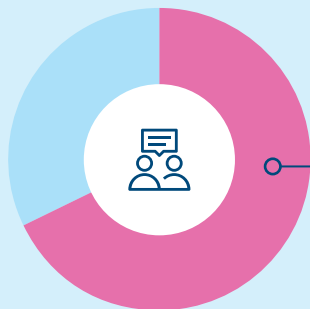
Reaching financial stability



# Impact on people in financial difficulties

**19.433**

supported clients



**68%**

received  
personal  
advisory

**76%**

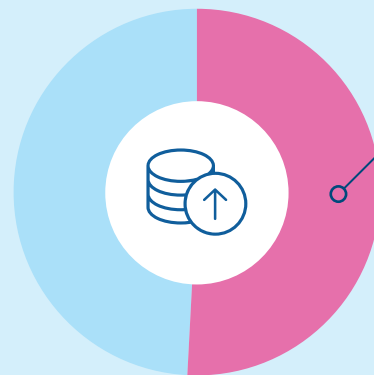
can now regularly pay their bills

**74%**

of all clients feel less stressed

**84%**

now see more positive  
into their future



**51%**

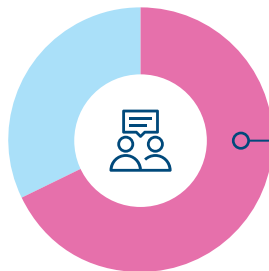
improved  
their financial  
situation

# Financial education and consulting

5.652

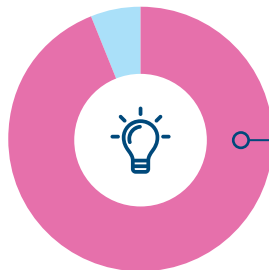


hours of education and advisory were provided



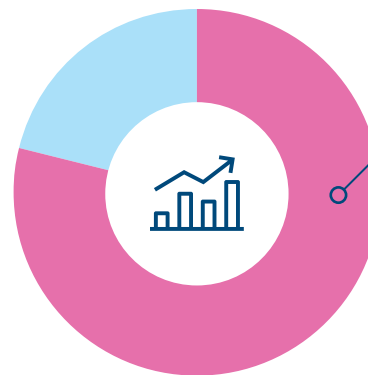
68%

received personal financial advisory



94%

found our educational offer useful

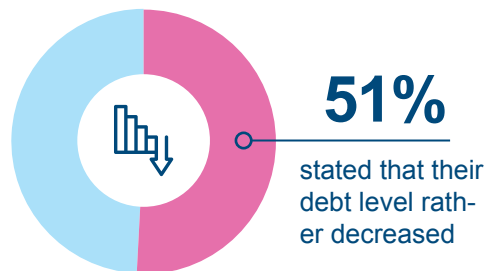
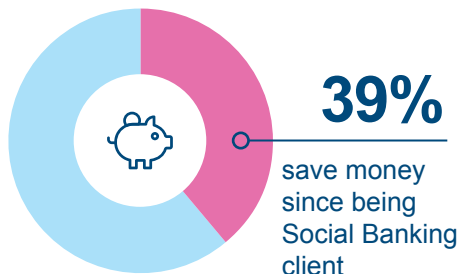
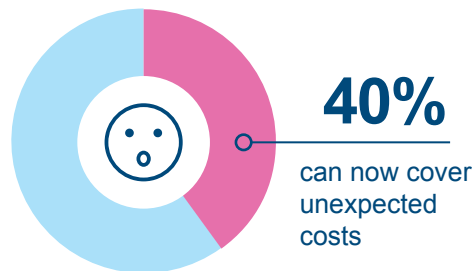
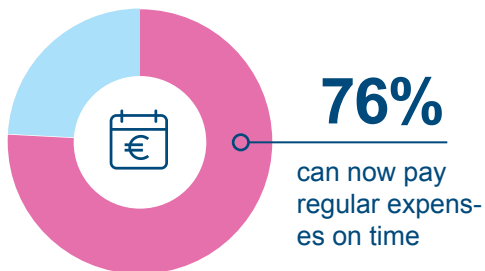


79%

stated it helped them to get a better overview of their financial situation



# Stabilising financial lives



# Personal life changes

74% 

are less worried about their financial situation

72% 

are more motivated  
to get things done

84% 

are more optimistic  
towards their future

40% 

improved relationships  
with their family and friends

56% 

feel healthier



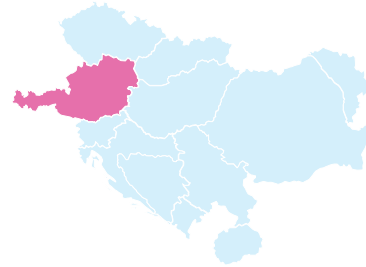


# Meet Jutta

one of our clients in financial difficulties



**Social Impact:** Zweite Sparkasse is run by volunteers which help people with severe economic problems to regain control of their personal finances and reach financial stability



Jutta, Zweite Sparkasse client, Austria

“I didn’t want to owe money to anyone. Now I can finally think about and plan for my own future. And I have promising plans!”



**Clients challenge:** Jutta was left behind by her former husband soon after their wedding and with a huge amount of his debt. Before receiving the support of the debt advisory centre and Zweite Sparkasse she struggled to cope with her everyday life.



Find out more about Jutta’s challenges [here](#)



Visit our webpage and find out more about [Zweite Sparkasse](#) (only in German)

# Social Banking Development Team

PLEASE CONTACT US



**Peter Šurek**

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



**Mirjana Šakić**

[mirjana.sakic@erstegroup.com](mailto:mirjana.sakic@erstegroup.com)  
+43 (0)5 0100 - 17238



**Johann Heep**

[johann.heep@erstegroup.com](mailto:johann.heep@erstegroup.com)  
+43 (0)5 0100 - 17237



**Nicole Feliciani**

[nicole.feliciani@erstegroup.com](mailto:nicole.feliciani@erstegroup.com)  
+43 (0)5 0100 - 17232



**Florian Ott**

[florian.ott@erstegroup.com](mailto:florian.ott@erstegroup.com)  
+43 (0)5 0100 - 19413



For more clients  
stories, please visit  
our webpage

[www.erstegroup.com/en/  
about-us/social-banking](http://www.erstegroup.com/en/about-us/social-banking)

What does Social Banking mean to us?



## Social Banking Impact Report 2019

**Imprint:** Erste Group Bank AG, Social Banking Development,  
A-1100 Vienna, Am Belvedere 1

**Text:** Johann Heep, Nicole Feliciani | **Design:** Paul Leichtfried



supported by



**ERSTE**  
Stiftung

