

<https://blog.en.erste-am.com/social-banking-as-engine-for-the-development-of-society-in-cee/>

Social banking as engine for the development of society in CEE

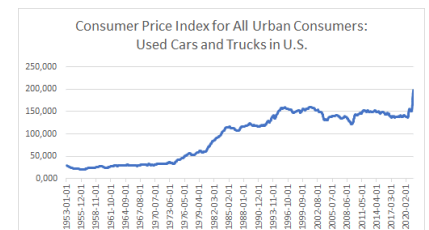
Victoria Schön



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[Social Banking](#) is one of the most visible ways for us as Erste Group to live up to the philosophy of our founders, and as such has become one of the pillars of our ESG strategy (environment, social, and governance).

With our social banking activities across our seven markets, we support all those who are affected by poverty or social exclusion, and we thus support economic growth and welfare in the region.



Why social banking?

Even though the countries in Central and Eastern Europe (CEE) have recorded a remarkable economic development in the past ten years, there are still millions of people in our region who are affected by poverty and social exclusion.

They have no, or very limited, access to financial services and are faced with acute social challenges such as unemployment, insufficient care for their elderly, and a lack of access to affordable housing.

Together with the local offices of Erste Group, ERSTE Foundation, and our partner organisations, we support people in poverty and at risk of falling into poverty by financing start-ups and micro-enterprises and thus creating jobs and by supporting social institutions in caring for more people in need.

The social banking programmes for people encountering financial hardship offer advice and financial solution to individuals and families and help them to find a way out of their excessive debt. In addition, innovative approaches are tested as part of pilot projects in social housing in order to facilitate access to affordable housing for disadvantaged sections of the population. A new product has recently been launched that supports social companies in their efforts to [strengthen their equity base](#).



Support for our customers – also during times of crises

The corona pandemic hit the weakest members of society particularly hardest last year – not only in terms of health, but also financially (job loss or lower income).

This makes the support that social banking offered to more than 10,000 customers in the pandemic year of 2020 even more important – whether it was finance, business training, or financial literacy training. Overall, social banking granted loans of EUR 53mn to founders, micro-enterprises, and social organisations as well as to individuals in financial difficulties across CEE.

"In 2020, we showed that we stuck by our customers through difficult times with financial help and advice. We will continue to support the people in our region when it comes to overcoming the effects of the corona crisis, such as rising unemployment, a growing risk of poverty, and challenges in connection with affordable housing," says Peter Surek, Head of Social Banking Development with Erste Group.

For more information on the social banking highlights 2020, please visit the [Impact Report](#).



No charity, but functioning social business approach

"Our activities in social banking are no charity – they are part of a functioning social business approach that ensures that we can contribute sustainably to the welfare of the people in our region," as Bernd Spalt, CEO of Erste Group, explains.

Since the establishment of Social Banking in 2016, Erste Group has invested almost EUR 400mn as loans in the social development of the CEE region. A total of 36,000 customers are cared for in the region, more than 15,000 jobs have been newly created, and more than 30,000 jobs have been preserved. With its initiatives and projects, social banking also contributes significantly to the fulfilment of the [Sustainable Development Goals \(SDGs\)](#).

Please read more about Erste Group Social Banking [here](#).

Read the full ESGenius newsletter on social responsibility and sustainable investing: <https://blog.en.erste-am.com/dossier/social-responsibility/>

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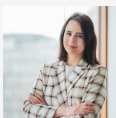
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