

Friedrich Mostböck: 'ESG will revolutionise economies and capital markets'

Fritz Mostböck manages the Group Research business area. He recently fulfilled his ambition to become a Certified ESG Analyst (CESGA), one of very few in Austria today. In this interview, he explains why he took part in this demanding programme – and why new knowledge is so important for Erste Group's success.

What motivated you to study again for an international certificate and become an ESG Analyst, Herr Mostböck?

The aim of the Certified ESG Analyst (CESGA) Programme is to learn how to integrate ESG (Environmental, Social, and Governance) factors into investment decisions and macro as well as financial analysis. I consider this topic to be extremely important and would like to be a pioneer in this field. So far, there are about 35 people in Austria and, as far as I know, two in Erste Group who have this certificate - that's what gave me the additional ambition!

Why did you decide to focus on ESG in your study?

If we want to build Financial Health, it will only work with ESG education. I am also convinced that a stronger ESG focus will influence the economy and capital markets in our region in the long term.

I think conventional economic and financial analysis has become in part unnecessary. When it comes to the financial evaluation of states through government bonds, and of companies through shares and corporate bonds, we will no longer get a comprehensive picture from conventional analysis. In future, wide-ranging ESG criteria will have to be factored into our evaluations if the assets involved are going to remain liquid and competitive on the markets. On top of that, we're now committed to implementing the UN Sustainable Development Goals (SDGs).

Given your position, did you have a lot of studying to do for this certificate?

Yes – the last exam I took was several years ago, after



all! The virtual program, which consisted of 9 modules, 650 PowerPoint slides and 15 hours of video, was hugely demanding. It took me four months to immerse myself in the course content, after which I was able to pass the two-and-a-half hour exam straight away, even though I was far from certain I could do it, right until the end.

Are there any "learnhacks" you could share with us?

It's absolutely key that you're "hoovering up" information constantly, and that you keep your eyes and ears open at all times, taking in a range of viewpoints. This will enable you to understand all the different factors that need to be taken into consideration. When doing so, never lose control over the volume of information, and retain an overview of the substance at all times. In addition, I would find out what training programmes are also available.



In your job you have to work with a lot of information. How do you keep up-to-date?

The days are long gone when it was sufficient to start the day simply by reading the newspapers. These days I “hoover up” my information in a very structured way – which includes calling and talking to our institutional clients early in the day, who are themselves competent fund managers. I’ve got one eye glued to my Bloomberg screen at all times. My many years of work experience do help me to process and categorise the information quickly.

And at Group Research, of course, in order to meet MIFID 2 regulations, the FMA requires that we complete a certain number of training courses so we’re up-to-date at all times.

What is your personal contribution towards the environment?

I am careful about separating and recycling waste wherever possible. The heating and cooling of our home is done through photovoltaics – and through having mineral wool insulation and new windows installed, we were able to reduce our energy requirement to an eighth (= 12.5%) of what it was. I drive an e-vehicle and focus on calls instead of travelling. I enjoy cycling and sailing – of course only with wind power – and avoid plastic and paper where I can. With a raft of small measures we can really make a big difference. We just have to think about what’s going on around us and keep learning – ESG literacy!



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it will only work with ESG education.**

One final question: Why is a learning organization so important for Erste Group?

For me, the focus is on the customer. That is the basis of all our business and makes excellent customer service a success factor. Those who know more have an advantage. Knowledge is our most important asset and essential for our external reputation and thus for the success of Erste Group.