



Wien, 22<sup>nd</sup> November 2006

## **The bank for people without a bank: Austrian Federal President opens the first office of Zweite Sparkasse**

Since yesterday, a new partner for consumers without access to a bank account - for whatever reason- has been launched. The first offices of Zweite Sparkasse were opened at Glockengasse 3, in Vienna's 2<sup>nd</sup> District, at a ceremony presided over by Austrian Federal President Heinz Fischer.

In his speech, President Fischer noted, "The Zweite Sparkasse is a ground-breaking initiative. This new financial institution can help financially excluded people return to an orderly life and once again participate in social processes. In doing so, it renders an important contribution to maintaining social stability in our country."

Zweite Sparkasse offers bank accounts for people experiencing financial difficulties who have no other access to banking services. This "Bank for people without a bank" is unique in Europe and was founded by the ERSTE Foundation, the majority owner of Erste Bank AG. It is run in cooperation with social welfare institutions such as Caritas and the debt counselling services, together with volunteer employees from Erste Bank

"Zweite Sparkasse really brings to life the original idea of the savings bank, which was conceived almost 200 years ago," explained Andreas Treichl, General Director of the ERSTE Foundation. "Savings banks were originally founded here, in Vienna's 2<sup>nd</sup> District, as an institution dedicated to serving the public welfare. The ERSTE Foundation has taken this original idea of the savings bank and transposed it to the social realities of our current day and age. Back then, just like today, the goal is to support people responsibly by providing simple financial services."

After a Celebration Mass held at the Leopoldskirche by Monsignor Christian Schuller more than 250 guests congregated at the Odeon in the Taborstrae for the opening ceremony.



## **Die Zweite Sparkasse: Europe's first bank for people without a bank**

### **Without a bank account, normal life is almost impossible...**

Austria is one of the wealthiest national economies in the world. And yet, more and more people slip into social or financial crisis, which often results in them being unable to maintain normal banking activities. But in today's modern world, a bank account is almost a necessity, especially for regular transfers to pay basic expenses such as rent, gas and electricity bills. A bank account for receiving wages is usually one of the prerequisites for returning to the workplace.

### **More than 12,000 people are affected...**

In Austria, some 12,000 people have no access to a bank account for one reason or another, and this situation makes it extremely difficult for them to reintegrate back into "normal" banking life. Now, these people can turn to Zweite Sparkasse at Glockengasse 3 in Vienna's 2<sup>nd</sup> District. The goal of this "bank for people without a bank", which is unique in Europe, is to enable customers to participate actively in social and economic life, to reinforce their sense of responsibility and to help them return to managing their finances with confidence.

### **A customer account at Zweite Sparkasse to get started...**

Initially, the only product offered by Zweite Sparkasse will be a limited-duration, interest-bearing customer account: this is a basic account with a bank card, which has no overdraft facility and is available to the customer for three years. Experience has shown that private customers are usually able to consolidate their financial situation within three years, in particular if there is some mild pressure to do so. As Evelyn Hayden, who has volunteered to chair the Management Board of Zweite Sparkasse, explained, "Zweite Sparkasse is not intended to be a permanent solution, but rather to function as a basis for building up normal banking relations again in the future. We take the time to provide advice to our customers and try to help alleviate them out of their financial – and often psychological – crises, working in cooperation with our partner organizations."

### **Cooperation with Caritas and the debt advice services**

The customer account is not a stand-alone product for people experiencing a crisis: it is part of a comprehensive package of advice and support measures carried out by welfare organizations such as Caritas and the debt counselling services. In reflection of this structure, the account was developed together in cooperation with these organizations. Moreover, an ongoing counselling relationship with one of these institutions, and a recommendation from the organizations, is a prerequisite for opening an account.

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