



Die Zweite Sparkasse: Europe's First Bank For The Unbankable - basic insurance coverage available now

People who for whatever reason do not have access to a bank account found a new partner last year. The first branch office of Die Zweite Sparkasse was inaugurated on 21 November 2006 at Glockengasse 3 in Vienna's second district. The "bank for the unbankable" has since been offering credit accounts to people who have got into financial difficulties and no longer have access to banking services. With the support of counselling organisations, such as Caritas, or debt counselling services and having access to an account at Die Zweite Sparkasse, these people will be able to at least get their difficult financial situations under control.

Four months after its opening, Die Zweite Sparkasse has gained widespread popularity, servicing 430 customers. Customers as well as counselling organisations that are actively involved confirm the effectiveness of the initiative of ERSTE Foundation, majority shareholder of Erste Bank AG. The voluntary staff of Die Zweite Sparkasse, comprised of about 180 former and active staff members of Erste Bank, strongly identifies with the project.

Now the range of products offered by Die Zweite Sparkasse has been further enhanced. Owing to an initiative by WIENER STÄDTISCHE Insurance Group, customers will in the future also benefit from a basic insurance coverage. Legal advice service free of charge, free accident insurance and – at a very low price – homeowners insurance including private liability will be available exclusively to customers of Die Zweite Sparkasse.

"For Die Zweite Sparkasse and its 180 voluntary staff members, the partnership with Wiener Städtische Insurance Group is probably the greatest recognition we could have ever hoped for," said Andreas Treichl, Chairman of the Managing Board of ERSTE Foundation, referring to the new cooperation project. *"We have created something to be proud of. If a renowned company such as WIENER STÄDTISCHE is now willing to participate, it shows that we are on the right track,"* added Treichl. *"With the foundation of the savings bank we wanted to initiate a development aimed at enabling those people to fully participate in social life who have previously been excluded from important areas. Security is an important requirement for active participation in life. Thanks to the initiative of WIENER STÄDTISCHE, we have made another step in a process which is to contribute to stabilising society while believing in the personal responsibility of individuals."*

This worldwide unique combination of a credit account and basic insurance coverage will be offered to customers of Die Zweite Sparkasse at the earliest possible time after obtaining the necessary approval by the Financial Market Authority. And there is more to come. The next steps in the development of Die Zweite Sparkasse: Other counselling organisations, and the people they cater for, will follow; savings banks operating in the federal provinces are to be involved in finding solutions on how to provide customers not living in Vienna with access to an account at Die Zweite Sparkasse.

Die Zweite Sparkasse provides credit accounts and insurance coverage to get started

With the foundation of Die Zweite Sparkasse, new life was brought to the almost 200-year-old founding principle of the savings banks, which were established in the early 19th century as institutions serving the common welfare. ERSTE Foundation translates this idea into the social reality of modern life. Back then the aim was – and still is today – to strengthen people's personal responsibility and development by providing them with simple financial services.

The main product of Die Zweite Sparkasse is a limited-duration, interest-bearing credit account, that is to say a basic account with a bank card that does not offer any overdraft facilities and is available to customers for three years only.

“Rather than being a permanent solution, Die Zweite Sparkasse is to provide a basis for helping people to open and hold a regular bank account at a later time,” explains Evelyn Hayden, Chairwoman of the Board of Die Zweite Sparkasse. *“We take the time to understand our customers' needs and are committed to guiding them through their financial – and often also psychically demanding – emergency situations together with our partners,”* says Hayden, whose work is voluntary.

The products

Free of charge, customers of Die Zweite Sparkasse have access to:

- Basic account including bank card
- Investment account with increased interest rates
- Building loan contract free of charge (s Aufbau-Bausparvertrag)
- Legal advice service, available once per quarter, providing consultation on issues related to Austrian or European law, EEA law or Swiss law – for private or professional purposes
- Accident insurance providing 24-hour cover of up to EUR 50,000,- in the event of disablement and paying a benefit of EUR 5,000,- to dependants in the event of accidental death of the insured person

Basic insurance coverage of WIENER STÄDTISCHE, which is free of charge, starts on the day after an account was opened at Die Zweite Sparkasse.

With an annual premium of only EUR 36,- – which is EUR 3,- per month – homeowners insurance provides cover against loss or damage by fire, lightning, explosion, burglary and vandalism, water leaks and storm up to EUR 20,000,-. It also includes private liability coverage, which pays up to EUR 220,000,- for damage for which the insured person is legally responsible.

The partners

With WIENER STÄDTISCHE, Die Zweite Sparkasse has found a strong partner. Basic insurance coverage, which is unique in Europe, is only available to customers of Die Zweite Sparkasse. Rather than being singular products for people in personal distress, credit accounts and insurance coverage are part of a complete package of counselling and support services provided by welfare organisations, such as Caritas, or debt counselling services. For this purpose, they have been developed in close cooperation with these institutions. In order to be entitled to such an account, customers must already use the services of one of these organisations and be recommended by them.

ERSTE Foundation

The starting capital for Die Zweite Sparkasse has been provided by ERSTE Foundation. ERSTE Foundation is the direct legal successor to "Erste Oesterreichische Spar-Casse", which was founded in 1819 in Vienna's second district, and the main shareholder of Erste Bank holding a stake of 30.6 %.

The Foundation is committed to taking responsibility for the individual well-being and common good of all people, an idea laid down in the founding statutes of the savings bank. Designed as an open platform for dialogue and discourse, ERSTE Foundation seeks to initiate and promote tangible projects which will open up new perspectives to people, in particular in the region in which Erste Bank is active.

Further information:

ERSTE Foundation

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