

ABA POLICY ADVOCACY MEETING

Promoting Financial Inclusion & Financial Literacy

Position Paper by Erste Group Bank AG

Mumbai, 16 November 2017

Social Banking Needs

- .Within Erste Group's home markets in Austria and Central & Eastern Europe, 16 million people are at risk of poverty or social exclusion – this represents 30% of the adult population
- .3 out of 4 have no savings for rainy days
- .7 out of 10 have not seen their income increase over the past 10 years
- .1 out of 5 cannot afford to heat their homes adequately
- .Around 40,000 people in Austria do not have a bank account or have lost it due to social and/or financial difficulties
- .Over-indebtedness of private households and young adults in particular has increased significantly in recent years

Financial Literacy

.Seeds of financial independence are sowed early on in life, so financial knowledge is particularly important for young people and the future of our society

.Young people need to learn how to handle their money, manage their budgets, and increase their risk awareness – and they need help in doing so

.The target is to prevent over-indebtedness and increase young people's prospects of financial wellbeing, so as adults they feel confident and well-equipped to make sound financial decisions and do not fall into the poverty trap

Erste Group Feels Responsible

.Erste Oesterreichische Spar-Casse was founded in 1819 with the specific purpose of offering basic banking services to all people and to disseminate and secure prosperity for all

.Today, Erste Group is the leading financial services provider in the Eastern part of the European Union with 16 million customers, 47,300 employees, 2,600 branches, EUR218 billion total assets, and EUR17.5 billion total equity

.We are true to our roots and are guided by our Statement of Purpose:

1. Disseminating and Securing Prosperity
2. Accessibility, Independence & Innovation
3. Profitability
4. Financial Literacy
5. It is about People
6. Serving Civil Society
7. Transparency, Stability & Simplicity
8. The 3rd Question

Die Zweite Sparkasse

- .The bank for the unbankable - basic banking for people in financial difficulties in Austria
- .Founded in 2006 through Erste Foundation
- .Non-profit, current accounts on credit basis only – help to help yourself
- .15,000 clients supported
- .7 branches, 400 volunteers (current and former Erste Group employees)
- .30 social organizations as partners

Good.bee Credit

.Microfinance for small entrepreneurs in rural areas in Romania

.Founded in 2009 as non-bank financial institution by Erste Group & Erste Foundation

.5,000 clients

.25 branches, 80 employees

.EUR50 million equivalent loans disbursed in RON – working capital, investment, refinancing

Financial Life Park (FLiP)

.Opened in 2016 at the Erste Campus in Vienna

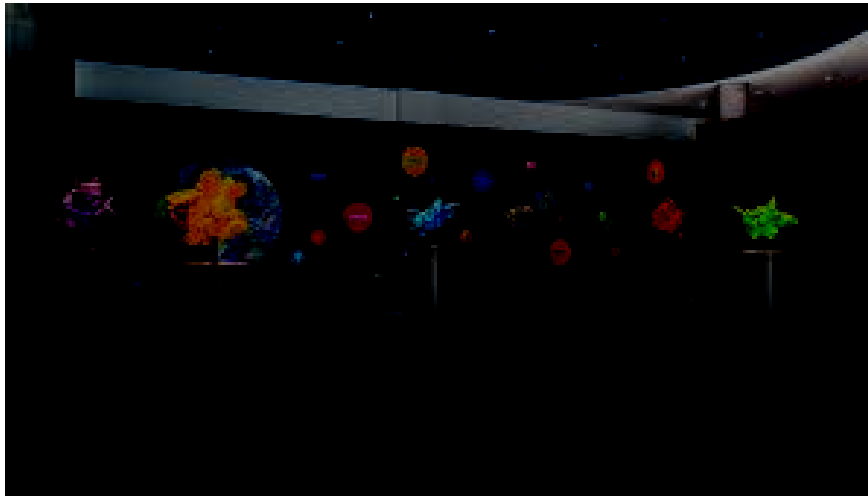
.100% funded by Erste Group but completely independent institution with no Erste branding and expressly not intended for the sale of bank products; objectivity ensured through scientific advisory board with experts from Vienna University of Economics & Business Administration, Stanford University, Austrian Association for Debt Counselling, and the OECD

.Globally unique facility with the goal of improving the financial capabilities of children and young adults

.Combination of multimedia, digital, and personal guidance in a 120-minute interactive tour of five knowledge/play stations; tours led by full-time guides as well as specially trained Erste Bank employee volunteers

.Teaching materials and follow-up documentation available for download; regular seminars and crowd-funding initiatives for school projects

FLiP at Erste Campus



Erste Group Offer for ABA

- .Exchange of experience in promoting financial inclusion and financial literacy
- .Arrangement of presentations by experienced practitioners
- .Arrangement of special guided tours at FLiP in English for ABA members
- .Updates on FLiP exhibitions, programmes, and events (e-mail subscription)

More Information

[.https://www.erstegroup.com/en/home](https://www.erstegroup.com/en/home)

[.https://www.sparkasse.at/diezweitesparkasse/Zweite-Sparkasse](https://www.sparkasse.at/diezweitesparkasse/Zweite-Sparkasse) (in German only)

[.http://www.goodbeecredit.ro/index.php/en/](http://www.goodbeecredit.ro/index.php/en/)

[.http://www.financiallifepark.at/en/welcome-to-flip](http://www.financiallifepark.at/en/welcome-to-flip)

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