

BAWAG P.S.K. SURVEY: OLDER COUPLES WITHOUT CHILDREN IN THE HOUSEHOLD WITH HIGHEST LEVEL OF FINANCIAL WELL-BEING

- ▶ **Top 3 factors for "well-being": Controlling of expenses, positive account balance and savings**
- ▶ **More than 50% fear lower standard of living in retirement**
- ▶ **Women generally more concerned than men and less satisfied with their own income**
- ▶ **Outlook: BAWAG P.S.K. relies on retail strategy with independent branches, digital services and cooperation with partners**

VIENNA, January 16, 2020 – Two-thirds of the Austrian population have a medium or low level of financial well-being, as shown by a representative survey conducted by marketmind on behalf of BAWAG P.S.K. in the third quarter of 2019. *"A plus on the account and the possibility of being able to draw on savings form the foundation for the financial well-being of Austrians – the most negative effect, however, is the feeling of not being able to pay their bills. In the long term, every second person fears not being able to maintain their standard of living in retirement,"* commented **David O'Leary**, Member of the Managing Board of the BAWAG Group and responsible for the retail and SME business of BAWAG P.S.K. in Austria, in a press conference on Thursday.

Older couples without children in the household as "feel-good emperors"

If we look at the survey results by socio-demographic characteristics, it can be seen that elderly couples without children in their household show a very high level of financial well-being in 50% of cases, while this is only true for about one in four older singles (24%). When asked which factors favour financial well-being, 87% of respondents feel that they know and can control their spending, ahead of the rest, closely followed by a positive balance at the end of the month (before the salary arrives) (86%) and having access to savings (83%). Only 57% of respondents state that their account is usually in the black at the end of the month. Conversely, the feeling of not being able to pay bills is the main reason for the strongest stomach ache (74%), while almost two thirds feel uncomfortable at the thought of having to get financial support from their partner or family.

Top concerns for the future: Lack of affordability of care and lower living standards in old age

When assessing the degree of satisfaction with income, it is apparent that men (46%) are more satisfied with their personal net income than women (38%) - satisfaction also increases with increasing educational attainment. A look at the main concerns about the financial situation in the future shows that more than 50% of respondents fear that they will not be able to afford care if they need it or that they will not be able to maintain their standard of living in retirement - these figures are similar across all age and gender characteristics. A high level of financial well-being is linked to the feeling of a financially secure future: As a result, older couples without children in the household (57%) feel particularly secure compared to singles (38%).

Wishes to the house bank: customer wishes vary greatly

With regard to the need for information and preference for contact with a personal contact person, there are clear differences among the respondents, which can be deduced from the results of the study: About every third respondent can therefore be characterized as a "self-service" type: This person would like as much information and clarification as possible, but would like to do everything himself. The "Guided" stakeholder group (29% of those surveyed) want to be informed and educated as much as possible and have a competent customer advisor who is available to assist them intensively. "On demand" customers (13%) expect the client advisor to do as much as possible himself/herself but to be available when needed. The "streamlined" group (24%) is the group with the least need for information and the least desire for personal advice - the client advisor should do as much as possible by himself. In general, it can be seen that groups with high information needs indicate a higher level of financial well-being.

BAWAG P.S.K. in Austria: Digital, high-quality analogue and integrated with partners

What do these results mean for BAWAG P.S.K.? Massive changes in customer behaviour were mainly due to the fact that the transactions made at the counter now account for less than 10% of the total number of transactions. The transition from traditional eBanking at the desktop to mBanking on smartphones can also be observed - banking is increasingly taking place on the way and customer expectations are rising - not only for an integrated user experience, but also for advisors and branches: *"In order to meet these customer needs, we have developed an enhanced branch network with independent BAWAG P.S.K. branches, focused on advisory services, financial education and supplemented by personalised & digital processes and platforms. It is critical that we deliver on providing a lifelong financial partner for our customers that is often founded with a comprehensive advisory meeting at least once a year, so that they can have the tools and insights build their financial wellness,"* said **O'Leary**. "We want to provide our customers with expertise and simple and innovative products for daily banking, investing, borrowing and protection of their assets as their lives and families grow."

As part of its strategy, BAWAG P.S.K. relies on long-term financial partnerships with customers and tailor-made solutions: BAWAG P.S.K. handles all financial services itself in its independent branches and focuses particularly on providing individualised advice to customers, with more emphasis on financial advice. A comprehensive online offering, the "klar" banking app, customer service by telephone and a team of mobile retail customer experts round out the range of services. In addition, BAWAG P.S.K. relies on technologies that provide customers with financial services wherever they need them, including point-of-sale financing at leading Austrian retailers such as MediaMarktSaturn and Metro. In addition, BAWAG P.S.K. also has a stake in Savity, a robo-advisor that enables advanced portfolio management for newcomers to securities - and a partnership with jö, a bonus program that allows customers to accumulate usable value with every transaction. *"Our goal is to simplify our customers' financial lives. Because we know from our own experience from advisory situations with customers: If you understand your own finances, have them under control and consistently pursue a long-term financial goal, you will also gradually increase your financial well-being - this closes the circle to the results of the survey,"* concludes **O'Leary**.

The current BAWAG P.S.K. survey was conducted by marketmind in the third quarter of 2019 among 1,063 respondents, representing Austria (between 18-65 years of age, by age, gender, education and province), based on online and telephone surveys (763 CAWI interviews; 300 CATI interviews).

About BAWAG Group

BAWAG Group AG is the listed holding company of BAWAG P.S.K., which is headquartered in Vienna, Austria, with the main subsidiaries easybank, easyleasing and start:bausparkasse in Austria, Südwestbank, BFL Leasing GmbH, Health Coevo AG and start:bausparkasse in Germany as well as Zahnärztekasse AG in Switzerland. With 2.5 million customers, BAWAG P.S.K. is one of Austria's largest banks operating under a well-recognized national brand and applies a low-risk, efficient, simple and transparent business model focused on Austria, Germany and developed markets. The Bank serves retail, small business and corporate customers offering comprehensive savings, payment, lending, leasing, investment, building society, factoring and insurance products and services through various online and offline channels. Delivering simple, transparent and best-in-class products and services that meet our customers' needs is the consistent strategy across all business units.

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