

PRESS RELEASE

Banca Intesa, in cooperation with company IPSOS, conducted a research on the social-economic status of pensioners in Serbia and the region, named 'New age, third age'.

Pensioners – economically significant part of population

Belgrade (May 8, 2014) – Since the older population is a fast-growing segment of our society, it is expected that the corporate sector, including the banking sector, adjusts its products and services more and more to this population category, it was concluded at the presentation of results on the social-economic status of pensioners in Serbia and the region, named 'New age, third age', which Banca Intesa conducted in cooperation with the company IPSOS Strategic Marketing.

According to the share of population aged over 60 in the total number of residents, with 24.7%, Serbia is at the level of other countries in the region and EU, where these figures are from 20.3% to 26.4%. However, the ratio of employees to the share of pensioners in the total population is much lower in Serbia, which means that pensions are a very important part of the overall household income and amount to 35.8%. This information additionally confirms the fact that the elderly are a significant part of the population not just quantitatively, but also economically.

The average pension in Serbia is currently 221.28 euros and is slightly over the average of most countries in the region, such as Bosnia and Herzegovina, Bulgaria and Romania, where it amounts to under 200 euros. Only pensioners in Croatia have a somewhat better income, whose average amount is 339 euros.

'Serbia is close to most European countries when it comes to the share of elderly residents in the total population, but it is still specific when it comes to importance of that population in supporting younger household residents or the whole family, and even in generating overall consumption. As a proof of this, one just has to look at the data that says that the number of pensioners is higher than the number of employees. To all of this, we can add the speculations about the influx of pensions from abroad to fellow citizens who used to work abroad and are spending their pension days in Serbia. It can be concluded that creating special banking services for the category of people we can call seniors, is not only corporate social responsibility, but it is also economically justified. The merger of these two aspects of operations certainly brings a higher quality and greater satisfaction to all those dealing with this and those for whom this is intended,' said Srđan Bogosavljević, Head of the company IPSOS Strategic Marketing.

The research shows that this population is very much present among bank clients in our region, since it comprises 23-38% of users of banking services, while in Serbia this figure is 34%. This is precisely the reason why the trend of creating specialized banking offers for this

population segment is present in the whole region. Specifically, 70% of banks in Serbia have products and services intended for pensioners in their offer, while in Croatia this figure is even higher and amounts to 76%.

'Starting from the fact that retired citizens make up nearly one quarter of the average population of Serbia, and also guided by principles of social and financial inclusion, Banca Intesa was the first in the domestic market to develop specialized products intended for seniors in 2011, so that this important segment of population would not be deprived of some of the basic banking services. Having in mind the information from the research that 51% of pensioners had financial difficulties in the past year and that they see banking services as one of the most important options for overcoming such situations, Banca Intesa will keep working on improving its offer for this client segment,' said Darko Popović, Executive Board member of Banca Intesa.

If we take a look at bank operations, over 50% of pensioners in Serbia use current accounts as well as some other banking service. They most frequently opt for overdrafts, which are used in about 24.4% of cases at the market level, while in Banca Intesa, which currently has over 100,000 senior clients, this percentage is much higher and amounts to 42%. Credit cards are the second most used banking product, used in Banca Intesa by 22% of pensioners, while at the market level this figure is lower and amounts to 11%. Pensioners also frequently opt for cash loans, which are used by 6.4% of pensioners, or 18% in Banca Intesa.

On the one hand, respondents showed a very high level of knowledge on banking terms such as differences between interest rates. On the other hand, a very low level of knowledge on their own possibilities in a bank was noticed. As much as 58% of pensioners said they were not aware that in our country there are banks that had offers tailored specifically to their needs, while 32% of them did not know that a pensioner could take out a cash loan. 70% of them did not know that they did not need to transfer their pension in order to be granted a loan in a bank.

Lifestyle and habits of pensioners

The lifestyles and habits of the senior population aged 60-70 nowadays mostly differ from what used to be a stereotype until recently. Over 58% of them say they are quite pleased with their life, while over half of them said they felt vital and full of life. Over two thirds of them said their days were completely filled and that they enjoyed each moment of their lives. Seniors of the 21st century are open to new technologies, so 70% of them own a cell phone, 27% of them at least occasionally use the internet, while 8% of them say they have profiles on social networks.

Pensioners live more calmly, trying to fulfill each day, and as much as 88% of respondents said they were dedicated to and actively helping their children and grandchildren. That is why they say that the most fulfilling time for them is the time they spend with their offspring. Also, they fear the most about the uncertain future of their children. They spend their free time in



different ways and they are quite active in social contacts. Among their favorite activities they mention taking walks and watching TV.

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