

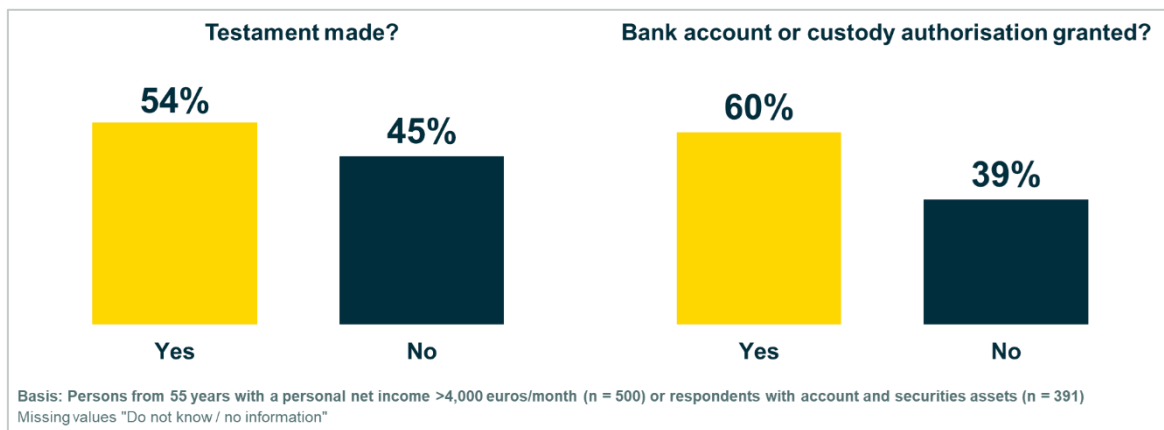
Press Release

For business editors

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Commerzbank study: Catching up on estate planning

- **45% of those over 55 years of age are without a will and testament**
- **Only 60% have an account/custody authorisation in case of emergency**
- **Private provision is better done sooner rather than later**



When it comes to asset transfer, the most important thing for most respondents is that their own will is fulfilled, closely followed by the desire to preserve the assets for future generations. A quarter would like to save on taxes and 21% want to avoid disputes between heirs. However, 45% of those over 55 years of age have not made a testament as they are satisfied with the legal succession or consider a testament to be premature. Only 60% have granted an account or custody authorization to a trusted person in the event of an emergency.

These are the results of Commerzbank’s study, "Securing wealth over generations", which provides insights into how people in Germany feel about the subject of asset transfer. For this purpose, Commerzbank commissioned a survey of 500 people from 55 years of age and with a personal net income of more than 4,000 euros, using Ipsos, the market and opinion research institute. During the study, a further 17 people provided in-depth interviews about what matters to them in estate planning.

"In our discussions with our customers, we repeatedly find that there is a need to catch up here," says Christian Hassel, Divisional Board Member Wealth Management and Private Banking at Commerzbank. "Regular estate planning ensures that the acquired assets are passed on according to your wishes and that the relatives find themselves with orderly instructions during emotionally difficult times and that family peace is maintained," says Hassel.

Marriage/life partner considered primarily in testament

A testament is a way to pass on the estate according to an individual's wishes and just over half of those surveyed chose to do so. As a rule, it is most often considered to be a spouse or a life partner, followed by children and grandchildren. A handwritten will is the preferred form as it can be easily changed at any time and without legal fees.

Almost half of the respondents find gift allowances useful. 29% appreciate being able to do something positive for their heirs during their lifetime. Others would like to avoid disputes between the beneficiaries or to manage the preservation of assets that way.

Account and custody authorisation for confidants

With 4 out of 5 respondents, many of them own account and securities assets, which were largely saved through their own work. However, not everyone has granted an account and custody authorisation. It is not only important in the event of death, but also when you suddenly become incapacitated by an accident or illness and you are unable to carry out important banking transactions yourself. Hassel says, "The power of attorney is not only useful for wealthy people. We recommend that all our customers to allow a trusted person to access their account in the event of an emergency. You can find out about the types of power of attorney there are and how to issue one correctly in our consultation."

Use a foundation as an heir

Even if someone wants to transfer their assets or parts of them to a foundation, Commerzbank is available to provide advice. 15% of study participants have already done or are planning to do so. Many of them hope to do something meaningful. This is followed by tax considerations and the justification for not having any descendants. "It is advisable to set up an independent foundation starting from a sum of around 1 million euros," explains Frank Heinsohn, Head of Estate and Foundation Management at Commerzbank. For lower sums an employed foundation is usually the better choice. "We support both the establishment and administration of a foundation as well as the search for a donation to an already existing foundation."

Prevent rather than displace

Whether a foundation, donation, testament, or legal succession – the study makes it clear: estate planning is an important precaution with many legal and emotional aspects. "The larger and more complex the assets, the more necessary a structured succession arrangement is if you want to look to the future positively," emphasises Christian Hassel. "We support our customers with our wealth planning as well as estate and foundation management. In general, each of us should look at the subject sooner rather than later before an unexpected event takes away the ability to decide."

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About Commerzbank

Commerzbank is the leading bank for the German Mittelstand and a strong partner for around 25,500 corporate client groups and almost 11 million private and small-business customers in Germany. The Bank's two Business Segments – Private and Small-Business Customers and Corporate Clients – offer a comprehensive portfolio of financial services. Commerzbank transacts approximately 30 per cent of Germany's foreign trade and is present internationally in more than 40 countries in the corporate clients' business. The Bank focusses on the German Mittelstand, large corporates, and institutional clients. As part of its international business, Commerzbank supports clients with a business relationship to Germany, Austria, or Switzerland and companies operating in selected future-oriented industries. In the Private and Small-Business Customers segment, the Bank is at the side of its customers with its brands Commerzbank and comdirect: online and mobile, in the advisory centre, and personally in its branches. Its Polish subsidiary mBank S.A. is an innovative digital bank that serves approximately 5.8 million private and corporate customers, predominantly in Poland, as well as in the Czech Republic and Slovakia.