

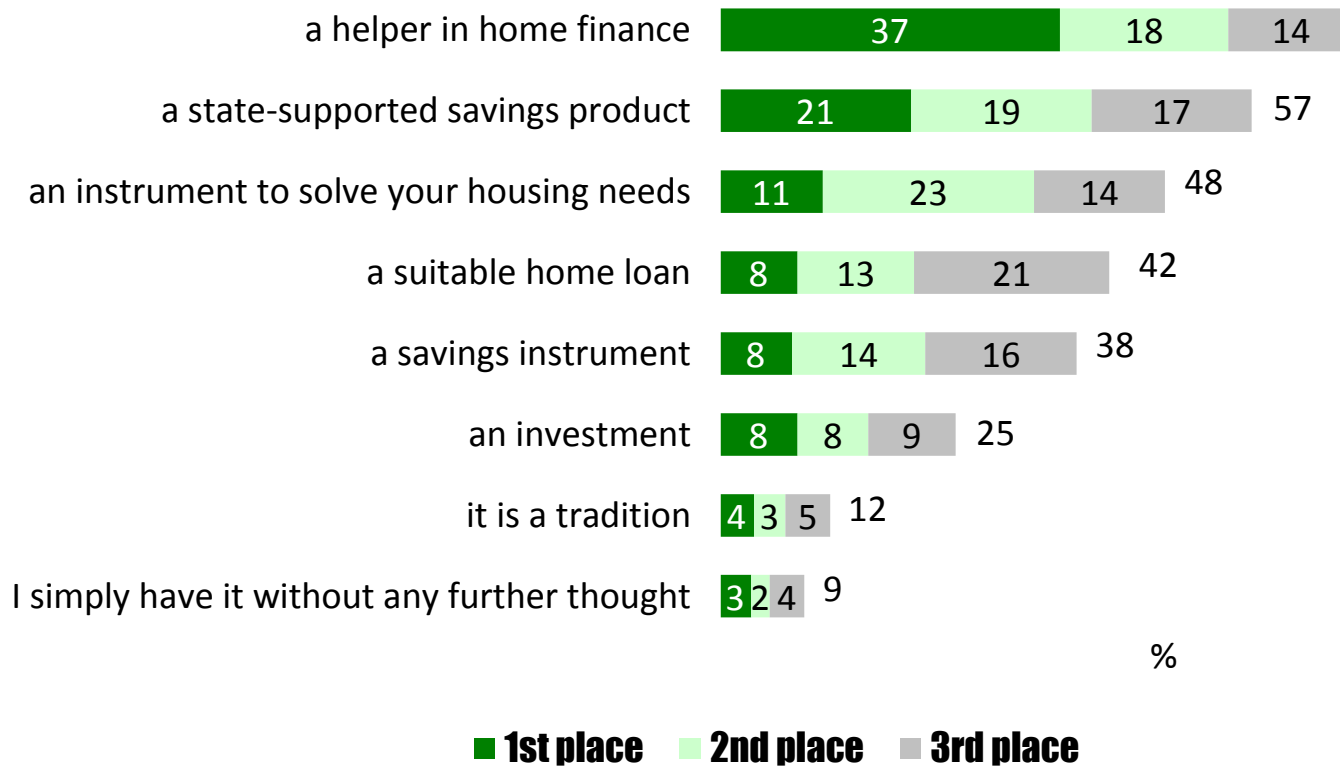
# **Building Savings Public Opinion in the Year 2016**

Association of Czech Building Savings Banks  
Vladimír Staňura – Chairman of the AČSS

(EFBS 19.10.2016, Budapest)



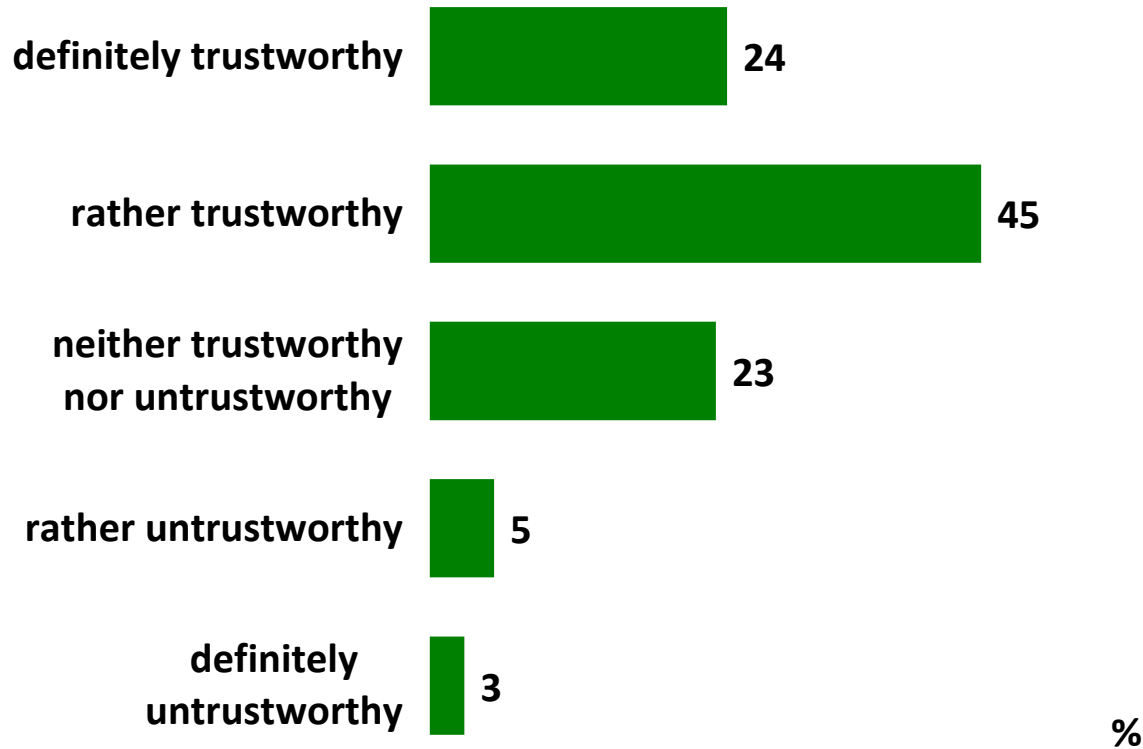
# People Perceive Building Savings Primarily as a Helper in Home Finance



(stat. error: max. 2.6%)

*How do you primarily perceive building savings? (N=1000, February 2016)*

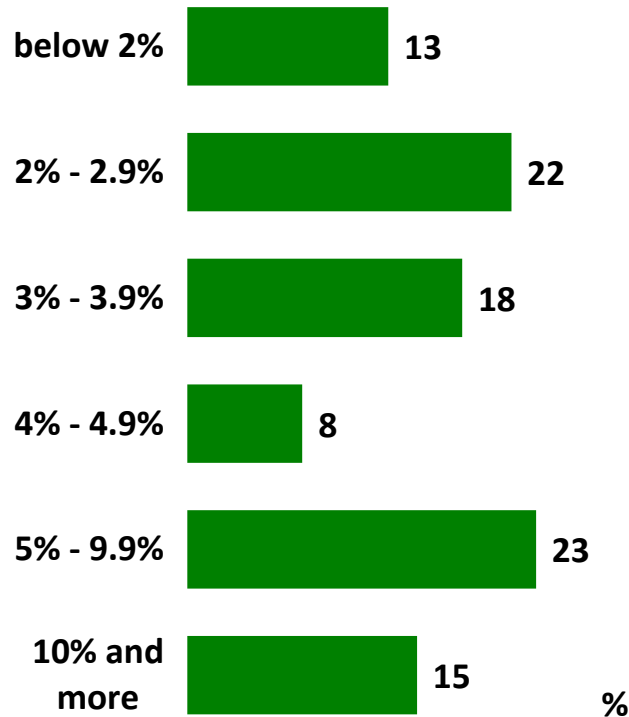
# Building Savings Are Trustworthy for 69% of the Respondents



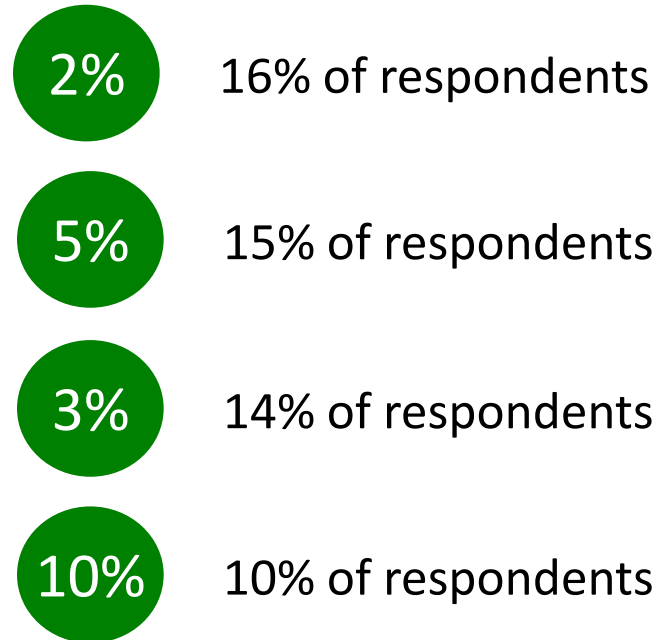
(stat. error: max. 2.6%)

*How trustworthy are building savings for you as a product? (N=1000, February 2016)*

# On Average, People Will Start Saving More at an Interest Rate of 5.7% (Median of 3.5%)



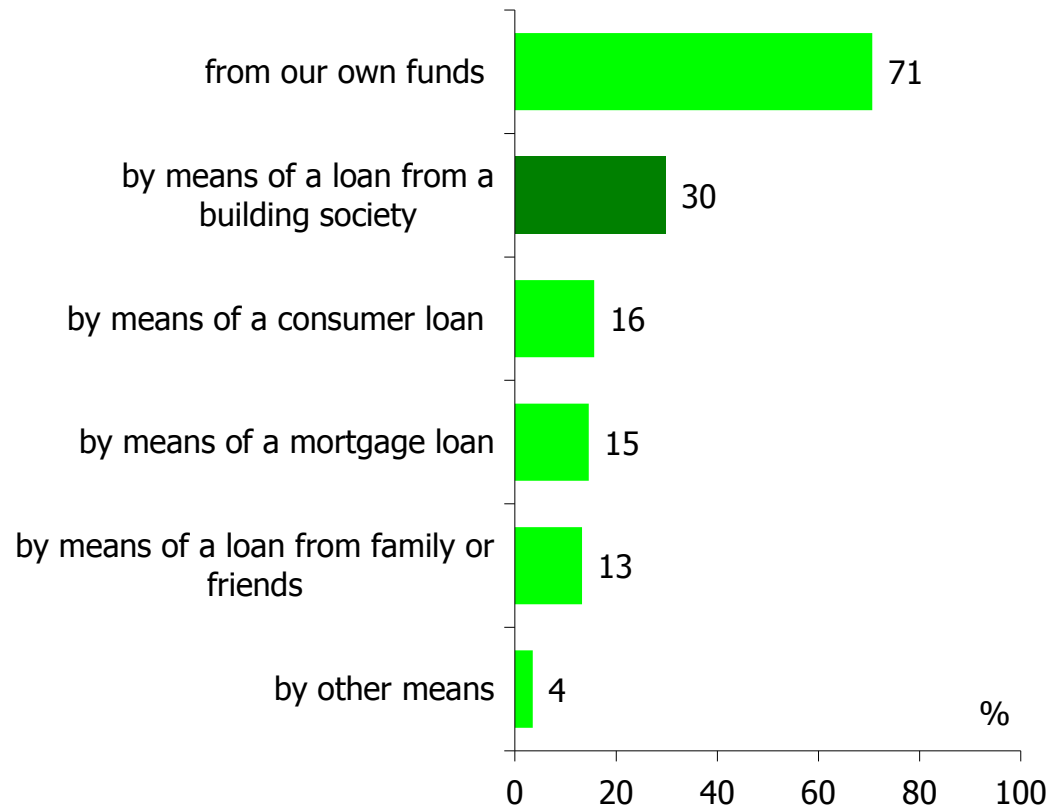
## Most commonly stated values:



(stat. error: max. 2.6%)

*At what interest rate will you start saving more (or will you start saving, if you are not saving at all now)?  
(N=1000, February 2016)*

# 71% of the Respondents Who Are Planning Home Improvements Want to Finance Them from Their Own Funds



(stat. error: max. 3.9%)

*How do you expect to finance the home improvement?*

*(respondents who are planning home improvements N = 453)*

# Savings Popularity Barometer

3rd Quarter 2016

Building savings

1

take first place

[www.acss.cz](http://www.acss.cz)

*Regardless of how you are saving at the moment, please state which of these options of depositing or saving money do you now find particularly interesting?*

*(IBRS, N=1000, statistical error: max. 2.6%)*

**BUILDING SAVINGS 54 %**

supplementary pension savings 48 %

savings account 45 %

shares, bonds 25 %

savings at home 24 %

44 % precious metals (gold, silver)

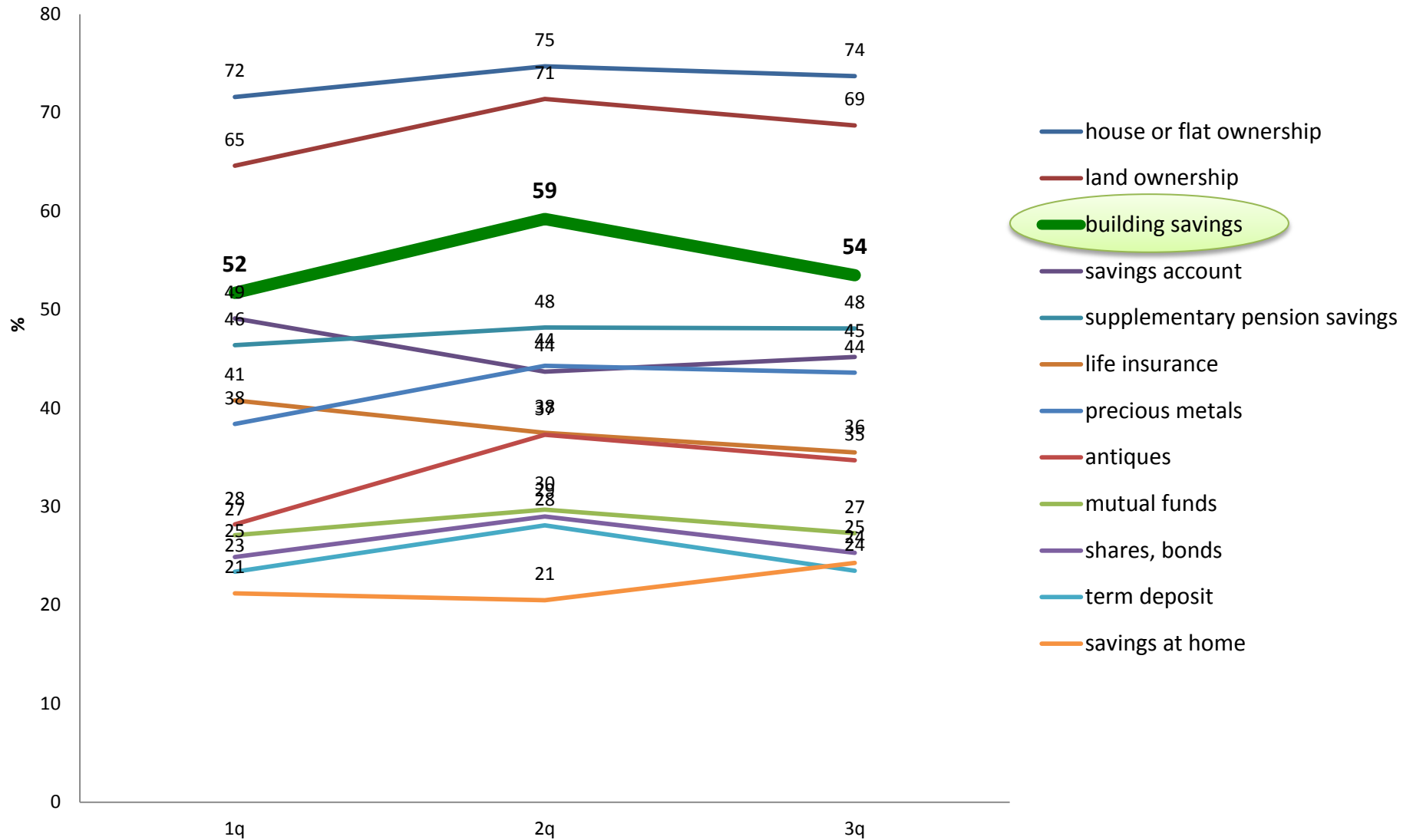
36 % life insurance

27 % mutual funds

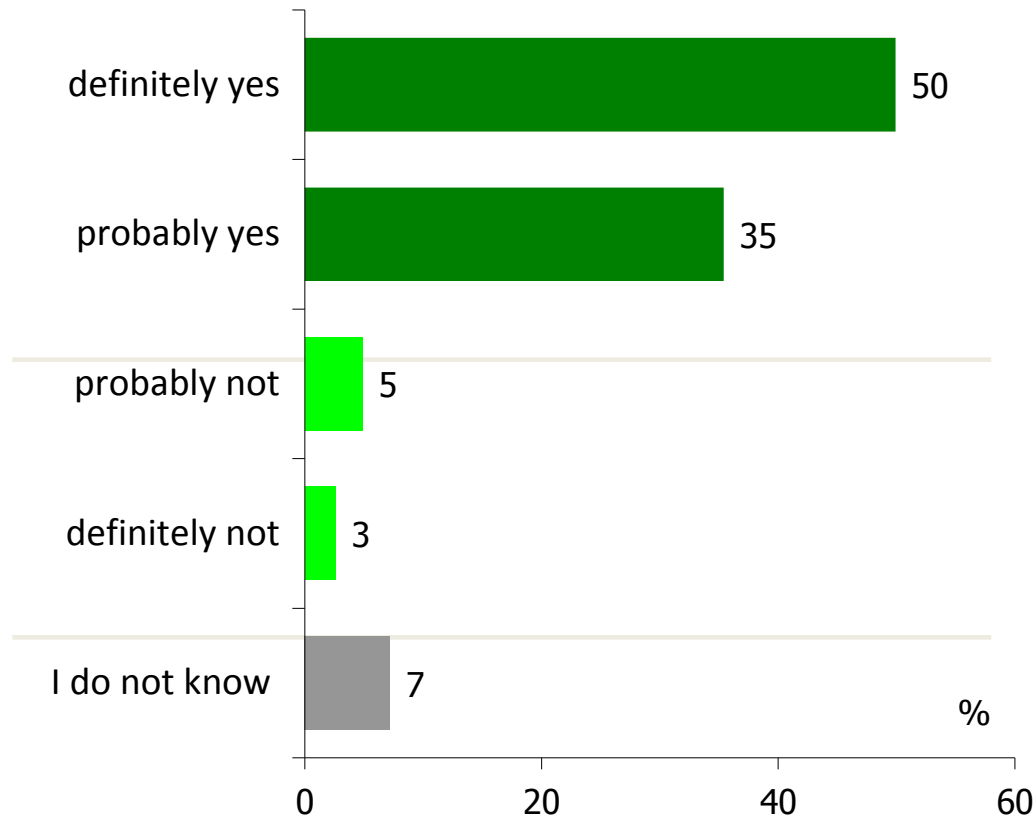
24 % term deposit

The Czechs also see property as a particularly suitable place to put money:  
**72% stated house or flat ownership and 65% believe in land.**

# Savings Popularity Barometer 2016



# Most People (85%) Think the State Should Support Long-Term Savings of the Citizens



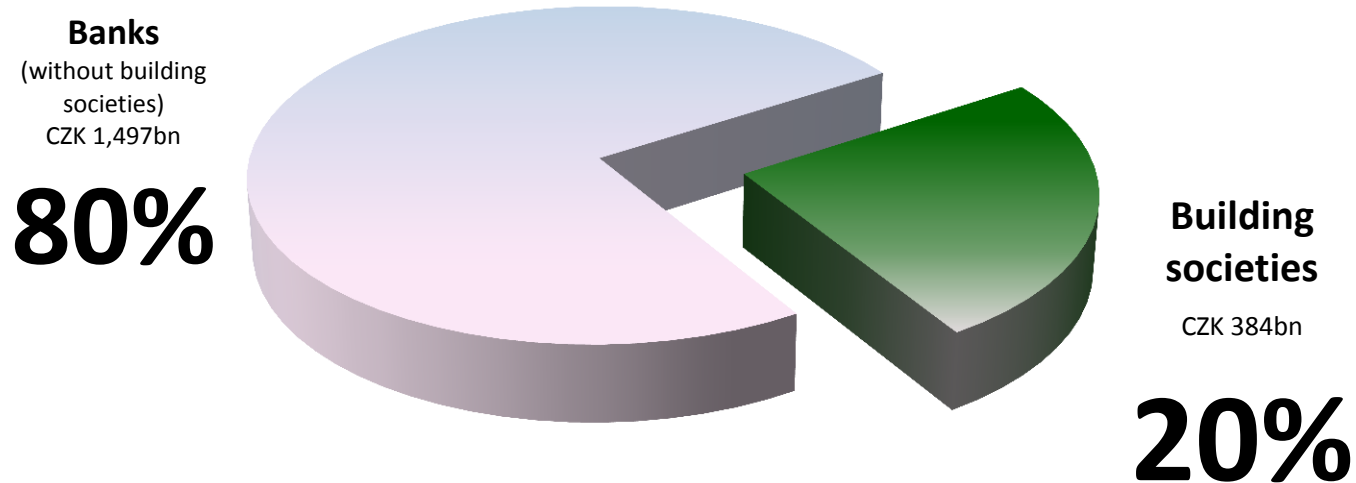
(stat. error: max. 2.6%)

*Do you think the state should financially support long-term savings of the citizens?  
We mean products such as supplementary pension insurance, building savings, life insurance, etc.  
(N = 1000, February 2016)*



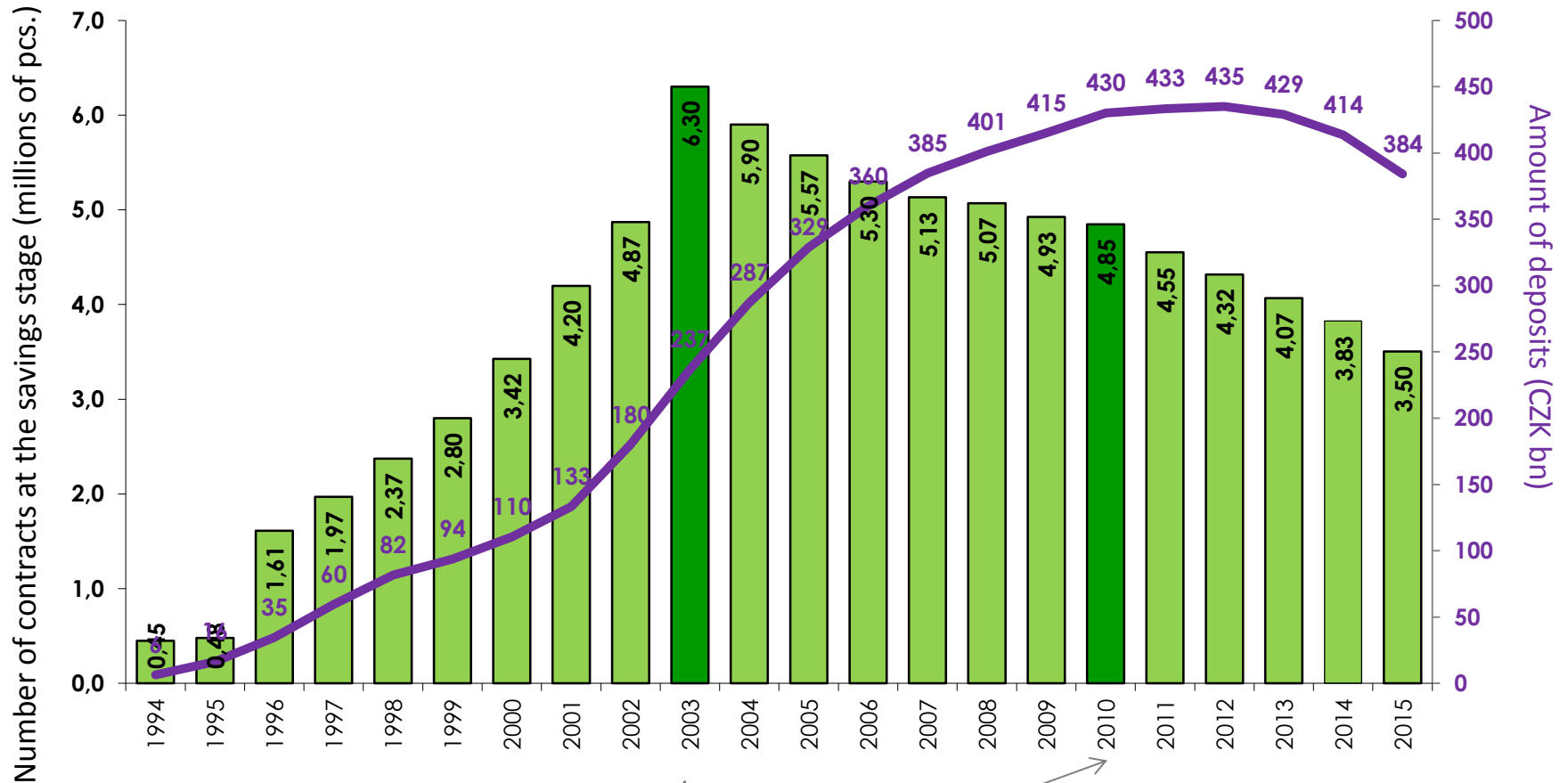
# Building Societies Play an Important Role

## Household deposits in banks and building societies



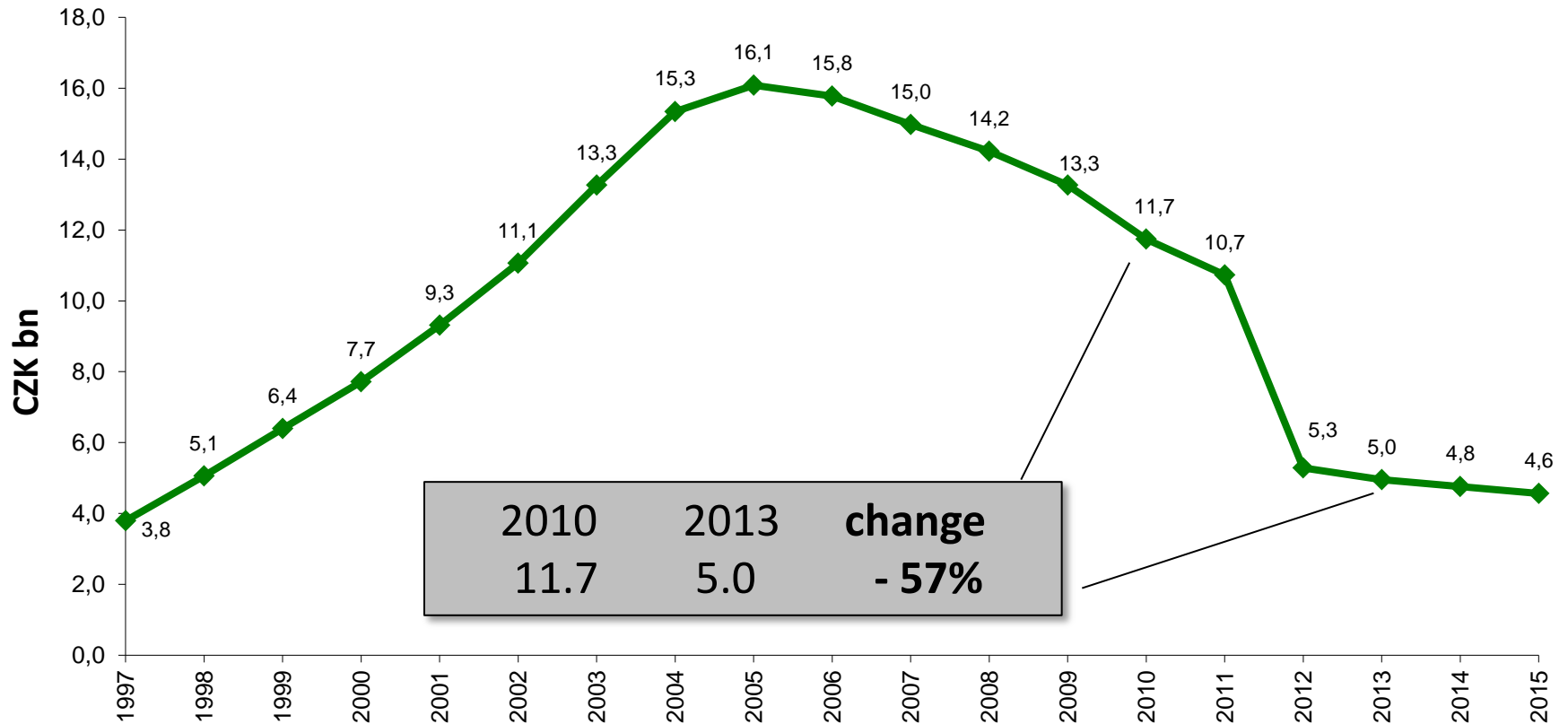
The **deposits** of Czech households in the banking sector (including building societies) **amounted to CZK 1,881 bn** (as at 31 December 2015).

# Number of Contracts and Deposit Volumes



In 2003 and 2010, the decision to reduce the state subsidy was taken

# State Subsidy Expenses Are Steadily Decreasing



Development  
of maximum  
state subsidy

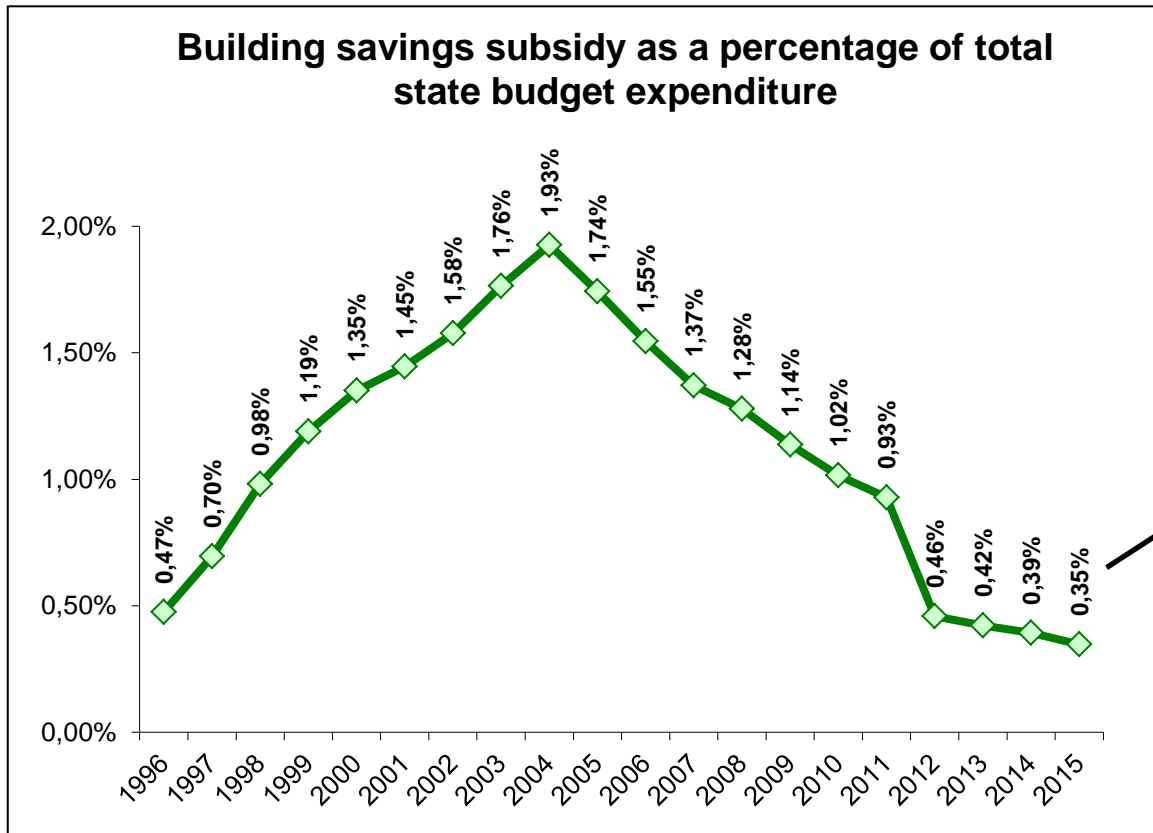
25% - CZK 4,500  
(€166)

15% - CZK 3,000  
(€111)

10% - CZK 2,000  
(€74)

# Building Savings Are Relatively Cheaper

- In the last five years, state expenditures on building savings **decreased approximately by two thirds**.



The extent of the burden on the state budget is decreasing and is currently below the level of 1996.

# What Problems Are We Facing?

- **The image of the product has suffered in recent years**
  - We are referred to as a conservative and inflexible product
  - Building societies take unpopular measures
    - contract terminations
    - interest rate cuts on existing contracts
    - not allowing early repayment of bridging loans
- **On the other hand, we now have a stable situation on the political scene: no attacks on building savings.**

# What Are We Doing About That?

- **PR work**
  - so that the media write about positive sides of building savings,
  - so that all journalists have correct numbers and information about building savings.
- **Lobbing**
  - we have managed to solve the problem that had a significant impact on the business in underage client contracts.
- **Communication with**
  - the Czech National Bank
  - the Ministry of Finance
  - the Financial Arbitrator
- **Cooperation with the Czech Banking Association**, where building societies as banks are also members (sometimes competition, more often partnership).

**Thank you for your attention!**

**Any questions?**



Association of Czech Building Savings Banks