

Czech Republic

The Czech financial market in the view of FMDS – 1st HY 2009

The GfK FMDS 2009 study regularly monitors the main retail banking market indicators and tracks changes in the behaviour of the banks' customers – private individuals. The following data show the current situation and trends in the Czech Republic in the first half year of 2009 (2nd wave of the survey, sample of 2000 people aged 15 to 70).

The number of banks used by one bank customer (approx. 7,180,000 persons in total) in the Czech Republic remains at an average of 1.3. **The largest increases in the number of private individual customers in the course of last year and this year were recorded by the Poštovní spořitelna (ČSOB group), GE Money Bank and Raiffeisenbank.** On the other hand, the monitoring of the main banks (Česká spořitelna, ČSOB, and Komerční banka) showed that, in fact, the number of customers leaving exceeded the number of newly acquired customers.

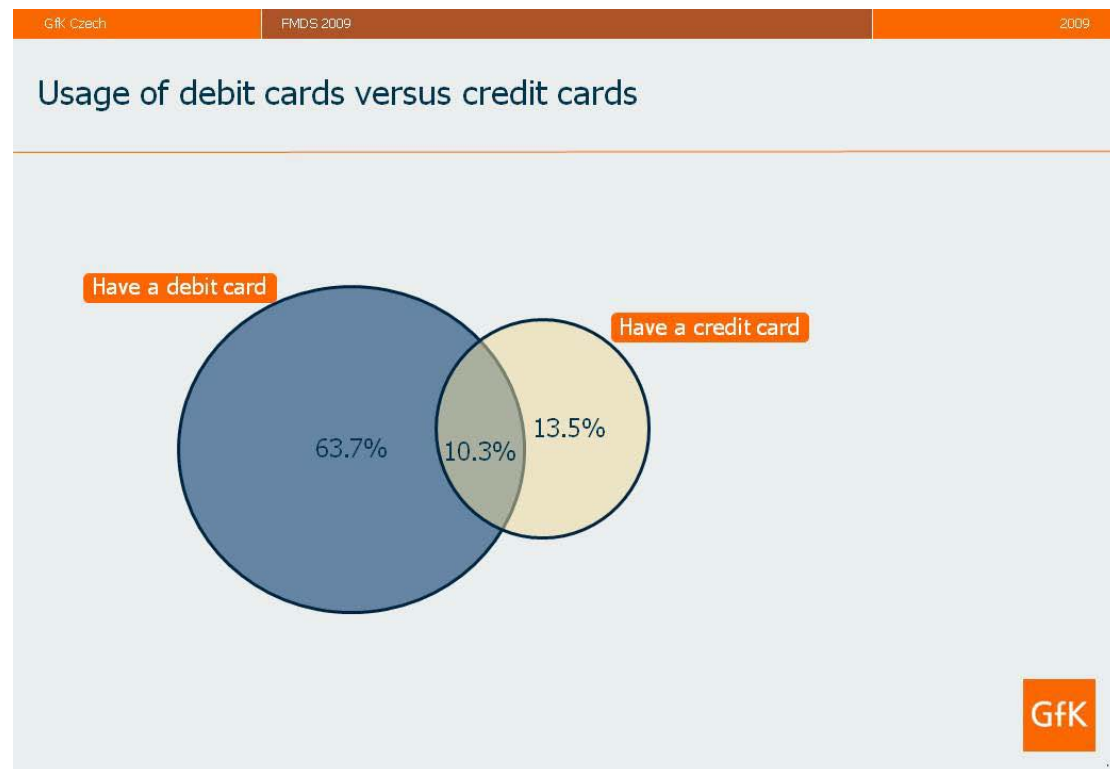
If the respondents were to be in the situation of choosing their main bank (given that they currently have no banking products and are deciding on a suitable bank), **most of them would prefer Česká spořitelna, Poštovní spořitelna, and Komerční banka** (in this order). It is these three banks which are also most popular amongst current customers. Three times the number of the people who currently consider Raiffeisenbank to be their main bank (i.e. use its services and products most often) **would like to become a customer of Raiffeisenbank.**

In terms of their communication with a bank, the customers consider the ATM service and visits to the branch as the most important aspects. The third and fourth most important forms of contact with a bank are Internet banking and personal consultations. In the view of the customers, these communication channels are not in competition with each other but complement one another. More than half of the customers who consider branches and personal bankers and consultants to be (very) important also consider Internet banking to be (very) important, with the converse also being true.

In the context of the planned products offered by the banks, in most cases customers are interested in the supplementary pension schemes and building savings contracts as well as credit cards, life insurance and current accounts. Most of the customers turn to bank staff, listen to the recommendations of family and friends or search the Internet for sources of information about new products. They use information from radio or magazines least often. Less than a third of all those surveyed use the TV as a source of information when selecting new products.

A third of the respondents are planning to either buy or renovate an apartment or house in the next three years. Most people plan to purchase the apartment or house using either a mortgage loan or a building savings loan (at the present time there are almost half a million mortgage loans and over one million building savings credits arranged on the Czech market). Half of the respondents also want to take a vacation in the next 12 months and a fifth plan to invest in their education (courses, seminars). **In general, people look at the interest rate as the most important factor when investing with only one in ten of the respondents taking the stability of the bank or the state guarantees into consideration.**

About 64% of people in the Czech Republic have and use at least one debit card. **The level of use of credit cards is at 13.5 %** (currently, the number of bank credit cards issued in the Czech Republic is around 1,250,000) with another 8 % of the banking population planning to use them in future. 10% of the population uses both types of cards (credit and debit). **For the first time in history, people in the Czech Republic used the cards more for payments than for cash withdrawal this year (by 9 %).**



Contact:

Karel Safar
Account Manager
GfK Czech
Kavčí Hory Office Park
Na Hřebenech II 1718/10
140 00 Praha 4,
Czech Republic
Tel. +420 296 555 485
karel.safar@gfk.com
www.gfk.cz