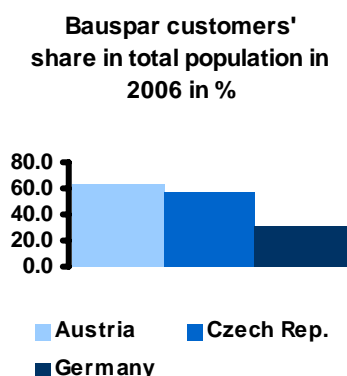


## Bausparen in the Czech Republic - a complete success

„In the Czech Republic housing finance without the bauspar system has become unthinkable.“ (Vojtěch Lukáš, Chairman of the Czech Bauspar Association AČSS)



Since in 2007 the Austrian bausparkasse Raiffeisen Bank Bausparkasse absorbed the bausparkasse Hypo Stavebni Sporitelna, 5 bausparkassen successfully remain in the Czech housing finance business. More than every second Czech citizen actually is an enthusiastic bauspar client. In terms of the fraction of bauspar clients, the Czech Republic even outperforms the bauspar system's country of origin, Germany. Only Austria shows a higher portion of citizens that are bauspar clients.

Links to Czech Bausparkassen:

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

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

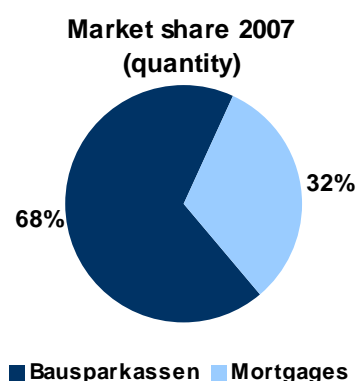
[www.mpss.cz](http://www.mpss.cz)

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

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

In terms of quantity, the Czech Republic features even more Bauspar customers than does Austria. Only in Germany there are more customers.

Bauspar savings amount to 16,6% of financial assets in the Czech Republic. More than 1.3 million mortgage loans corresponding to over 7.9 billion Euros have been assigned since the system's implementation. 172,000 dwellings have been financed using bauspar loans. That means, every second dwelling has been constructed or purchased via Bausparen.



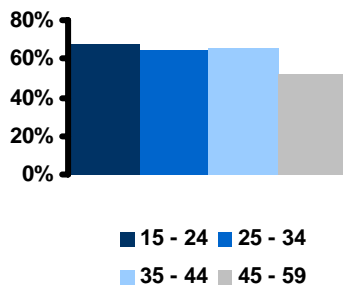
The five operating bausparkassen are administering about 6 million contracts worth 46 billion Euros.

The biggest Czech bausparkasse CMSS is a subsidiary of the German bausparkasse Schwäbisch Hall. It was able to underwrite more than 305.000 new bauspar contracts worth 2.9 billion Euros in 2006 alone.

Link to the Czech bausparkassen association:

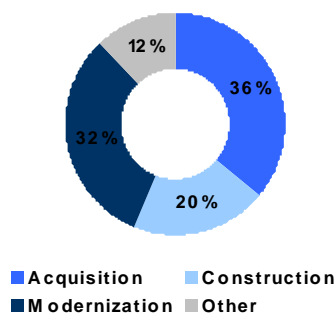
[www.acss.cz](http://www.acss.cz)

Share of baspar customers in age cohorts



According to demographic studies the biggest share of baspar customers is the one of those aged 15 to 24 and it amounts to about 68% of the respective age cohort. Bausparen is particularly popular among young families. This trend is verifiable in many other countries as well. It shows that the baspar system especially benefits those population groups that, without the baspar system, would face problems obtaining housing finance.

Czech Republic



The Czech Bauspar association AČSS is expecting further growth potential for the baspar business in the Czech Republic. The share of baspar loans is still increasing. The Czech Republic as a transition country disposes of a considerably high housing stock. However, thousands of condos and houses remain in need of renovations and modernizations. Accordingly, Czechs show a great interest in modernizing their dwellings. Most of them rely on baspar loans for smaller renovations or modifications as the graphic to the left induces. The share of new building construction amounts to about 20%. A lot more important is the acquisition of property (36%) and its modernization/renovation (32%). The baspar system is especially suitable for the latter because basparkassen are, in comparison to other institutions, able to offer smaller loan amounts at reasonable conditions and prices. This is why the Czech baspar association also assumes a great growth potential for the basparkassen in the Czech Republic.

Link to the website of the XV European Congress of the EFBS

[www.eubv2007.com](http://www.eubv2007.com)

Given the quite positive development of the baspar business in the Czech Republic, the European Federation of Building Societies organized its XV European Congress in Prague in October 2007. An abstract of the congress' topics may be found here.