

## Key Factor Security - Renaissance of Capital-guaranteed Products

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### Study Results of a Representative Survey of the Population

- Top 3 for investments: Safe bank, good advice and guaranteed capital
- 43% of persons surveyed would invest their money in capital-guaranteed products
- EUR 45m more funds invested in guaranteed products vs. the previous year

The safety of the bank (82%), good advice (77%) and guaranteed capital (67%) play a very important role for Austrians when investing money. This trend was confirmed by a representative survey of the population conducted by the opinion and market research institute Integral for Erste Bank. According to the study, one-third currently owns securities, while 16% previously owned some and can imagine investing in securities again. Apart from putting their money into savings passbook, 43% of Austrians would be willing to invest in guaranteed products. Compared to last year (08/2008 vs. 08/2009), the volume of new investments in capital guaranteed products expanded by 46%.

#### Capital-guaranteed products for cautious investors

Investments in securities slipped into negative territory due to the crisis in the past few months. The dramatic events on the international financial markets have caused many people to become more cautious with respect to investments in securities. This was also confirmed by the current study conducted by the opinion and market research firm, Integral, on behalf of Erste Bank. 43% of the persons surveyed stated that they could very well imagine investing their money in capital-guaranteed products – apart from putting it into savings passbooks. “Products with 100 percent capital guarantees are well-suited for cautious investors. Offering our customers security is always our main concern,” said Peter Bosek, Management Board Member responsible for Retail Banking at Erste Bank.

#### Returns are no longer the only thing that counts

Anyone who invests money wants their capital to grow. This is the nature of investing. However, returns are no longer the only criteria for investors. People have become very careful about investing their money and want safe banks, good advice and 100% guaranteed capital. High returns play a very important role for only four out of ten Austrians, and therefore, high returns rank in the place before last. Opinions are divided though regarding the timing of investments in a security. Around one-fourth plans to invest this year, another quarter wants to wait more than two years and 28 percent currently do not have any plans for such investments.



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Neuvolumen Garantieprodukte Vergleich Aug.2008 / Aug.2009

### **Guarantee products grow 46%**

Compared to last year, the trend towards capital-guaranteed products is revealed very clearly. The volume of new investments in guaranteed products in 2008 until August was almost EUR 100m, while the volume this year until August 2009 has already reached more than EUR 145m. "Since the start of 2009, demand has risen steadily and we are very optimistic for the coming months. With our product line "Best Garant Linie" we are meeting exactly investors' desires for security, good annual coupons and a chance to earn additional returns," said Thomas Schaufler, Head of Retail Sales at Erste Group.

Traditionally, demand for guaranteed products is particularly strong in the last quarter and this raises the prospects of hitting a new record in demand for the full year.

As of 1 October the Best Garant Nachhaltigkeit (Sustainability) will be offered for subscription. With a maturity of five years and three months, the product offers an opportunity to earn additional returns of 3% apart from the annual coupon von 3.15% p.a. (AT000B003603).



Thomas Schaufler, (c) Erste Bank, honorarfrei

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