

ANALYSIS OF SATISFACTION AND CONSUMER PREFERENCES IN THE NON-BANK FINANCIAL SECTOR

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I. Introduction

1. Scope of the survey

In the period 03 September - 03 November 2024, the Financial Supervision Commission (FSC, the Commission) conducted a survey on consumer satisfaction and preferences in the non-bank financial sector. The survey was announced on the Commission's website and digital channels, and targeted voluntary participation from users of insurance products, capital market participants and users of supplementary social insurance services (supplementary pensions).

2. Objective

Identifying the level of satisfaction of consumers and analyzing their preferences for investment, insurance and social insurance products and services form the basis for a fruitful informal dialogue between the FSC, as the supervisory authority of the non-bank financial sector, and consumers. This dialogue aims to identify positive attitudes among the public, and the degree of satisfaction and any reasons for dissatisfaction, in that regard including the role and activities of the FSC.

The information gathered from the survey is a prerequisite for identifying ways to improve the actions of the FSC in its role as an authority body directly involved in the protection of consumers of capital markets, the insurance sector and supplementary social insurance products, as well as in its role to assess the need for any necessary legislative changes.

3. Consumers feedback method used

The survey form on Consumer satisfaction and preferences in the non-bank financial sector was published on the FSC official website and LinkedIn profile and third-party media channels, and was distributed to some of the supervised entities.

II. Analysis of results

1. General part

The survey involved 271 consumers of non-bank financial services, 96% (261) of whom were individuals and 4% (10) representing legal entities. (Figure 1)

The sample is deemed representative for the purpose of this analysis.

You are completing the survey as

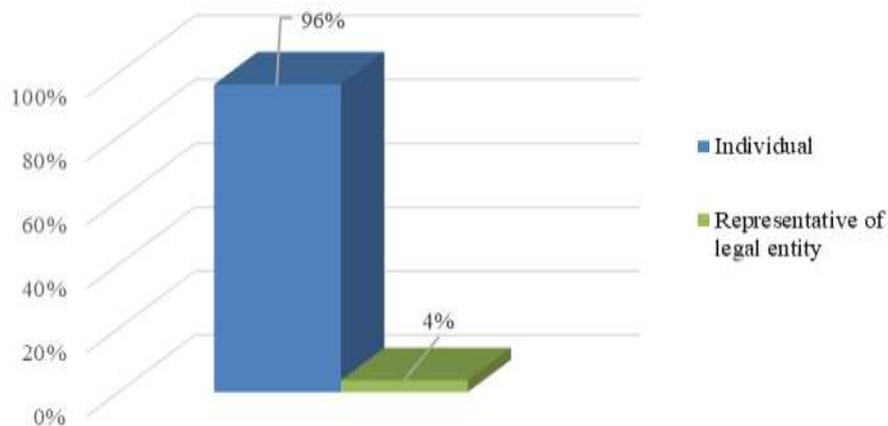


Figure 1

The greatest interest in the survey is shown by individuals who have obtained higher education - 86%, of which 48% with economic degrees and 38% with non-economic degrees. Rather low interest is demonstrated by consumers with secondary education, as well as those with a PhD. (Figure 2)

Level of education of individuals

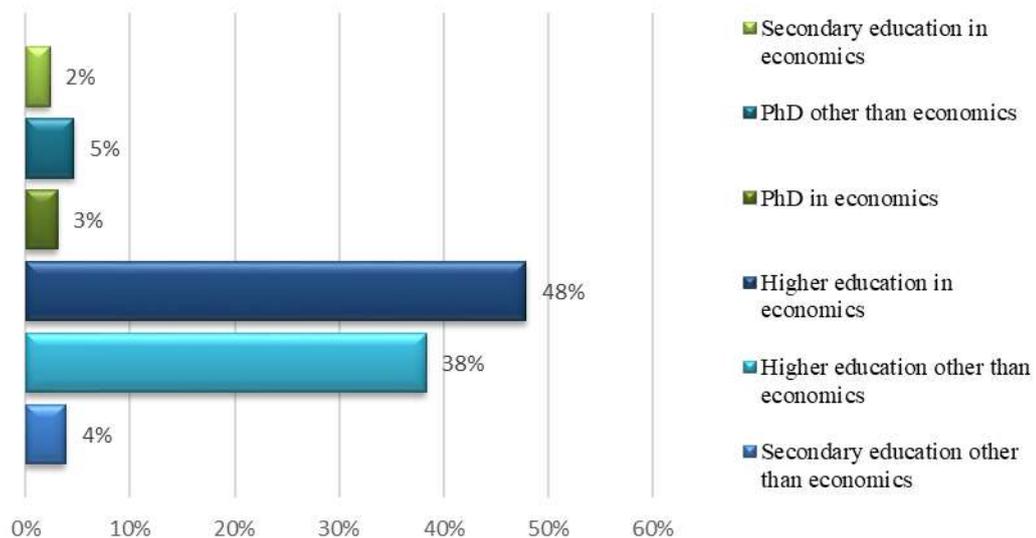


Figure 2

More than half of the respondents - 57%, were between the ages of 40 and 55, 28% were between 25 and 39, 11% were over 55, and only 3% were between 18 and 24. (Figure 3)

Age of participants in the survey

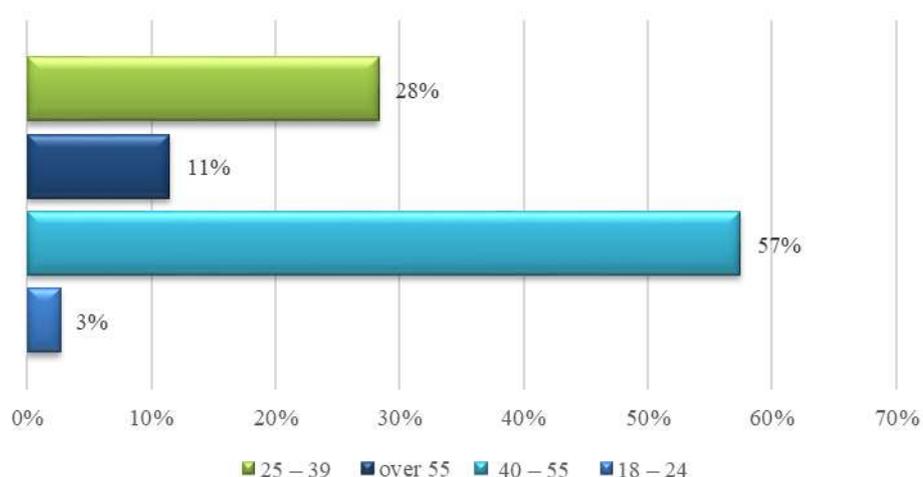


Figure 3

Most of the services in the non-bank financial sector are of voluntary nature and require a certain degree of financial literacy for consumers to recognize the benefit from their use. An exception make compulsory services such as Third Party Liability insurance of the motorists, supplementary compulsory retirement insurance, etc.

As expected, only some young people have a firmly formed opinion on the usefulness of these products and services and can state with precision how satisfied they are with them.

Measures taken by the FSC: To mitigate the above stated circumstances, the FSC organizes annual training seminars/webinars among adolescents. The level of financial literacy of consumers is the basis for making an informed decision when choosing a product and service, and it directly impacts the perceived degree of satisfaction with these products/services. The consumer must be able to identify their personal needs for a particular product, become familiar with the specifics of the product and their rights and obligations when using it, to only then be able to determine their level of satisfaction based on the experience of using the product or service.

The highest proportion of consumers to take part in the survey had a university degree, and were aged between 25 and 55 (Figure 4).

Age – level of education

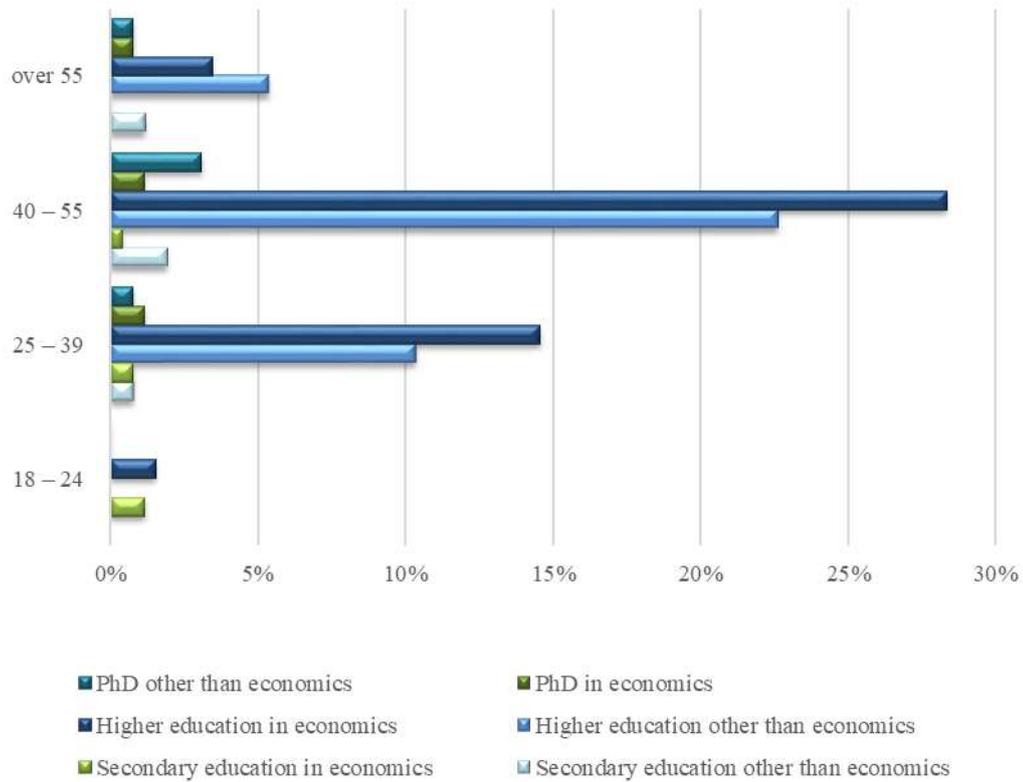


Figure 4

The data show that 83% of the participants in the survey live or have a company office address registered in one of the largest cities in Bulgaria - Sofia, Plovdiv, Varna and Burgas, 11% are from another regional city and 6% are from a smaller town.

2. Analysis of results on satisfaction and product preferences by sectors:

2.1. Capital sector

According to the survey, 66% of consumers state that they use investment services, 7% have used them in the past, and 27% have never used any. (Figure 5)

Do you use investment services/products?

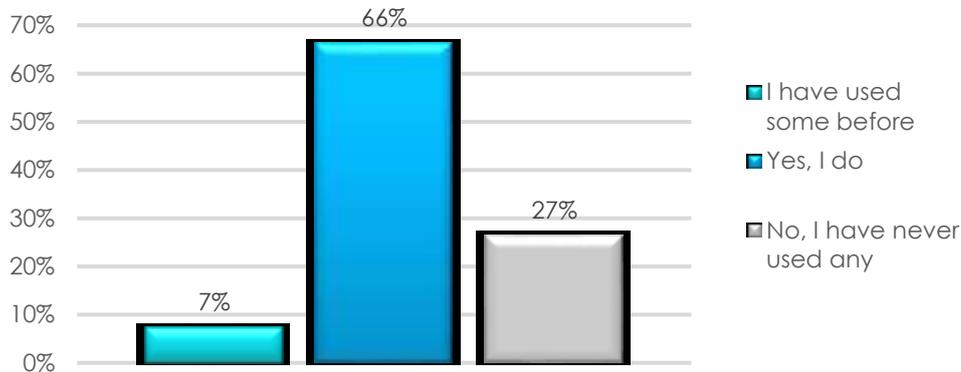


Figure 5

The drive to increase the participation of consumers in the capital market is one of the objectives of the European Union (EU) Member States, which is directly linked to improving financial literacy among the population. The positive survey outcome showing that 66% of the respondents actively use investment products and services is encouraging for the capital market development in Bulgaria, with the largest contributors being consumers aged 25-55 with higher education.

Measures taken by the FSC: In order to attract new investors and increase the interest of all target groups of consumers to the opportunities offered by the investment sector, the FSC and other relevant institutions are involved in raising the general financial literacy in Bulgaria. The institutions are working towards increasing the financial awareness and education of the younger generation, as well as of people over 55 years of age in order to help them to better manage their personal funds and savings to achieve a higher standard of living. It is crucial to focus efforts on explaining how the capital market works and what products and services are on offer. The most important information for consumers is on existing opportunities to increase their income and savings, and the risk they can bear, as unlike in the insurance and supplementary social insurance sectors, there are no mandatory products/services in the capital sector, and participation is completely voluntary.

Over half of the survey participants, or 54% of consumers, prefer to invest for their own account on a multilateral/organized trading system, and 53% in units of collective investment schemes (CIS) and/or alternative investment funds (AIF), including national investment funds (NIF). Of the investment service consumers, 28% indicated that they invest for their own account in financial instruments over the counter/ by phone, 16% invest on crowdfunding platforms and 15% through a portfolio management service. (Figure 6)

How do you trade/invest?

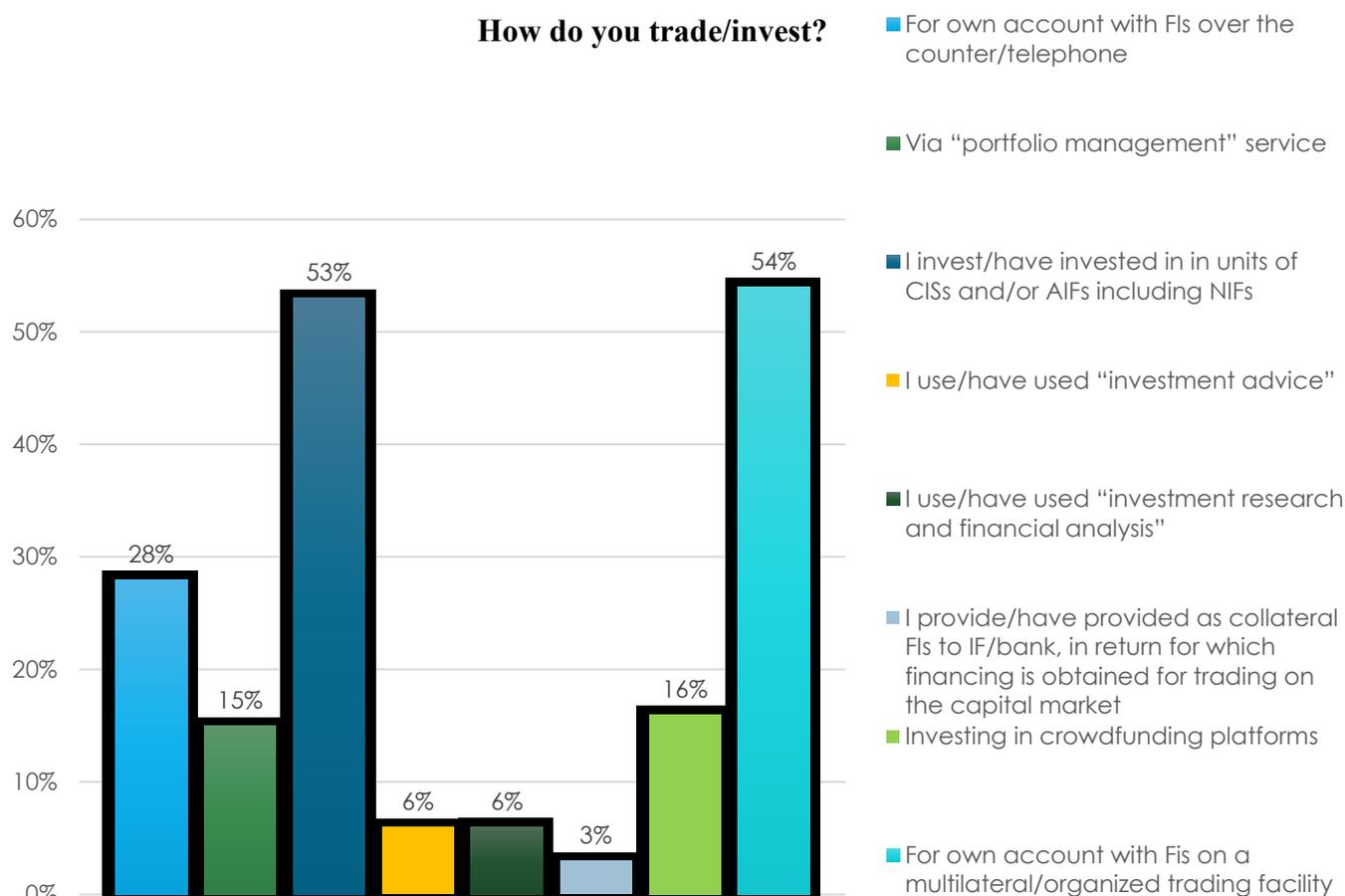


Figure 6

* The question provides the option to mark more than one answer

The analysis of consumer's preferences according to their age shows the following:

Age group 18-24 years - 33% of them trade for own account on a multilateral/organized trading system; 22% trade for own account over the counter/telephone and 22% invest in shares of CISs and/or AIFs, including NIFs.

Age group 25-39 years - 30% invest in shares of CISs and/or AIFs including NIFs; 26% trade for own account in FIs on a multilateral/organized trading system; 14% invest in collective investment scheme; 13% trade for own account over the counter/ telephone.

Age group 40-55 - 31% invest for own account on a multilateral/organized trading system; 29% invest in shares of CISs and/or AIFs, including NIFs; 16% trade for own account with FIs over the counter/ telephone.

Age group 55+ - 35% trade for own account on a multilateral/organized trading system; 29% invest in shares of CISs and/or AIFs including NIFs; 19% trade for own account over the counter/ telephone.

For legal entities - 30% trade on a multilateral/organized trading facility 30% invest in shares of CISs and/or AIFs, including NIFs - 30%; 20% trade for own account over the counter/ telephone.

The data shows that investors are least likely to resort to “investment research and financial analysis”, “investment advice”, and services for “provision as collateral of FIs to IF/bank, in return for which financing is obtained for trading on the capital market”.

The most preferred financial instrument is equities - 75% of participants, 36% invest in units of collective investment schemes (mutual funds, exchange-traded funds, alternative investment funds, including national investment funds), 12% in bonds, 12% in crypto-assets, 8% in government securities, 7% in derivatives, including contracts for difference. (Figure 7)

In what financial instruments do you invest predominantly (over 60% of portfolio)

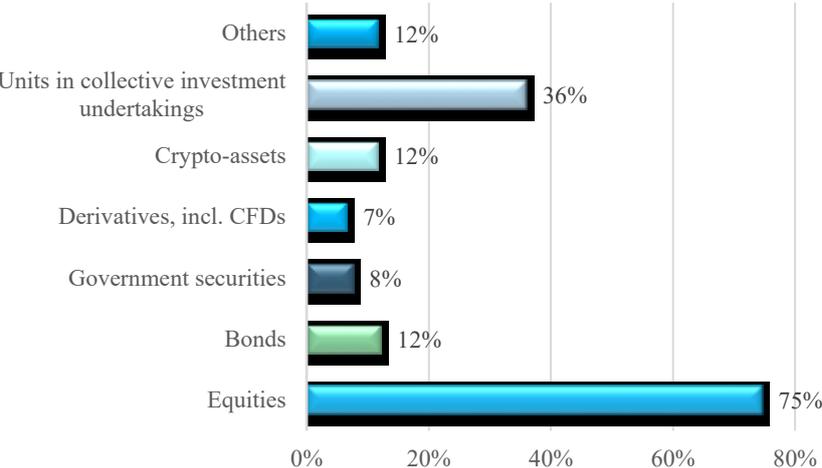


Figure 7
*The question provides the option to mark more than one answer

The high percentage of those investing in equities is driven by the demand for instruments with higher returns. The percentage investing in CIS units reflects the growing recognition of this instrument as an alternative option for higher returns and with a risk hedging advantage. The low percentage of those investing in crypto-assets and derivatives is a result of the Bulgarian investor's lower-risk appetite and orientation towards strategies to achieve long-term investment goals and secure savings.

The new European regulations, in force since the beginning of 2025 (Regulation (EU) 2023/1114 of the European Parliament and of the Council of 31 May 2023 on markets in crypto-assets - MiCA), the expectations of consumers for regulation of crypto-asset markets and for increased protection on these markets, are a

prerequisite for an expected increase in the share of investors in this instrument in the future.

Warning: It should be noted that despite the new regulations, crypto-assets remain very risky, given the technology on which they are based, and are a highly volatile financial product.

More than half, 53% of the respondents and those using investment services, invest annual amounts above BGN 4,500, 17% - between BGN 2,000 and BGN 4,500, 16% - between BGN 1,000 and BGN 2,000 and 14% - up to BGN 1,000. (Figure 8)

AMOUNT INVESTED ANNUALLY

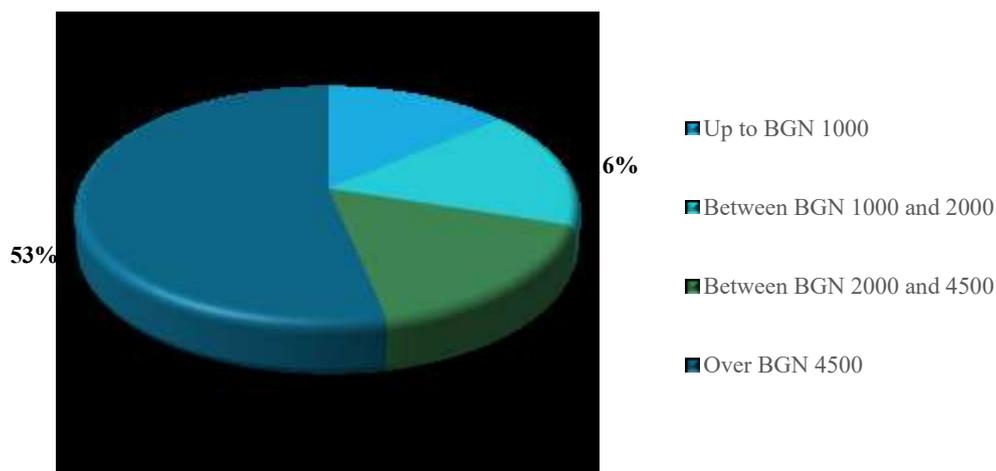


Figure 8

Experts in investments say that consumers usually set aside at least 20% of their net monthly income for investments.

The investors in the capital market frequently use the services of an investment firm- 82%, 19% - of a management company, 18% of a credit institution as an investment firm, 10% of crowdfunding platforms and 3% of an alternative investment fund manager. (Figure 9)

Whose services do you use/have used to invest on the capital market?

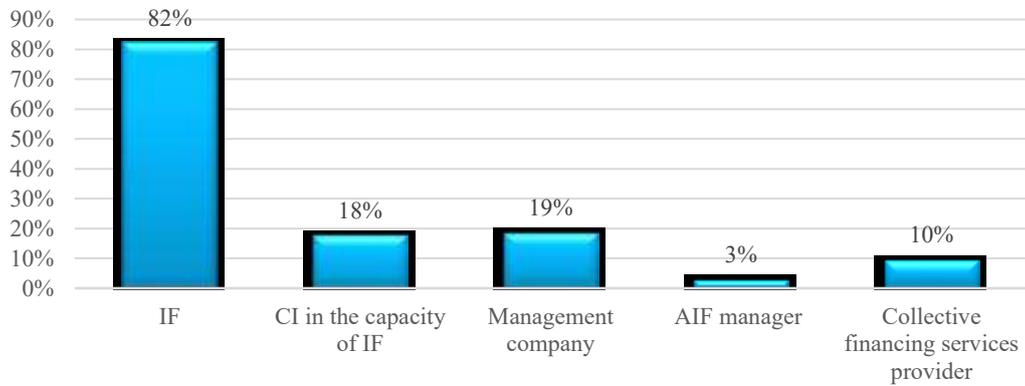


Figure 9

*The question provides the option to mark more than one answer

It is important to note the significant rate of consumer satisfaction with the provided investment services. More than half, 61%, of the participants in the survey using investment services say they are completely satisfied with them, while only 4% are not satisfied. Others are partially satisfied, due to the following reasons: lack of transparency in the provided information or terms of agreements - 5%, dissatisfaction with the profits - 12%, lack of transparency in the information on fees - 4% or high fees - 26%. (Figure 10)

Are / were you satisfied with the investment services provided?

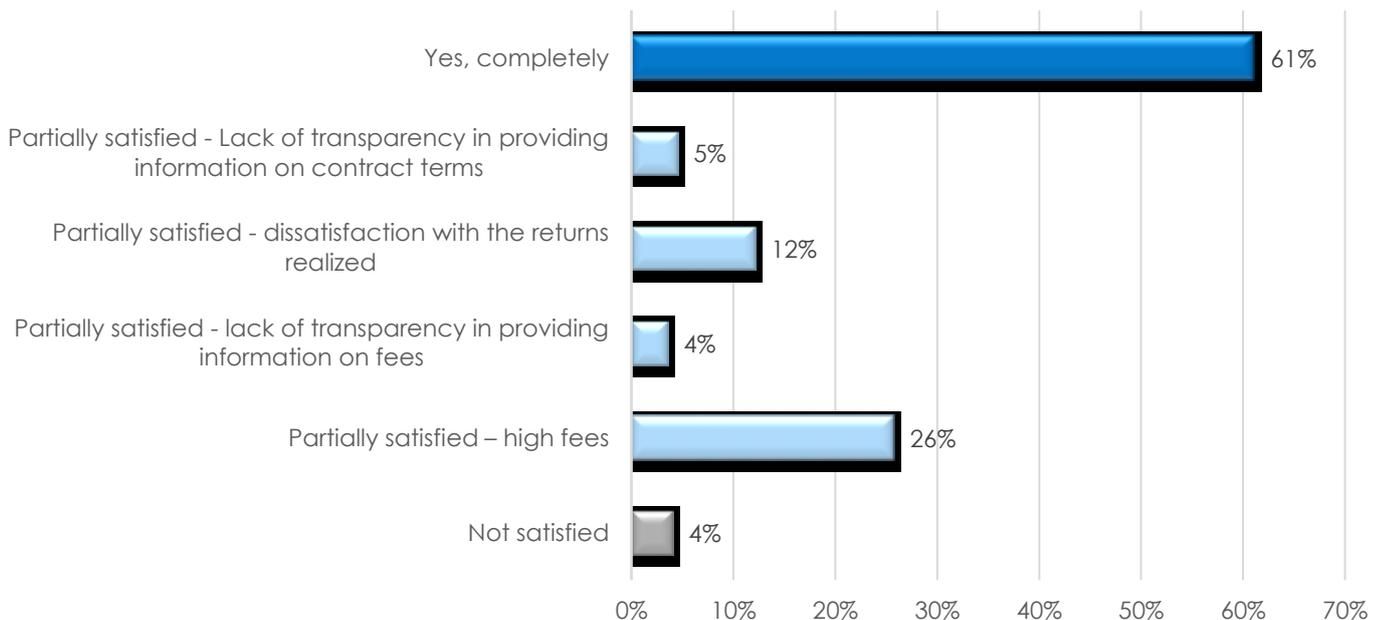


Figure 10

*The question provides the option to mark more than one answer

To change the investment service provider is directly related to the satisfaction with the used investment services. The highest percentage of consumers with partial satisfaction state high fees as the reason - 26%. This is also one of the main reasons for choosing another investment service provider.

The results that about 64% of the consumers who have not changed their investment service provider and 29% who had to change but are currently satisfied with the current provider, indicate high satisfaction with the provided investment services.

Have you changed your investment service provider?

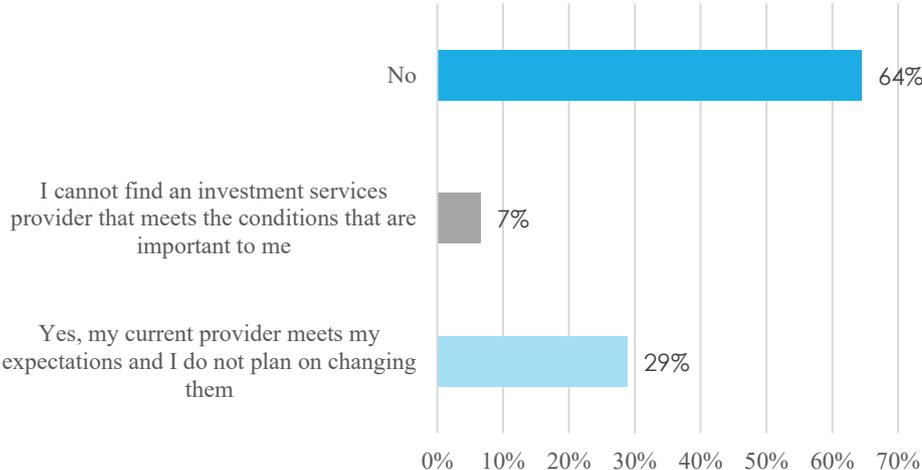


Figure 11

Regarding the consumers opinion about the FSC regulatory and supervisory activities, it is evident that more than half of them are satisfied, 16% are fully satisfied, 26% are satisfied but give recommendations for legislative changes, 27% - to improve consumer protection, financial literacy and awareness, 17% - to improve supervisory activities, including the application of administrative sanctions, 24% of consumers can not decide if they are satisfied with the regulator, and 10% - are not satisfied, (Figure 12)

What is your opinion on the regulatory and supervisory activity of the FSC regarding the capital market?

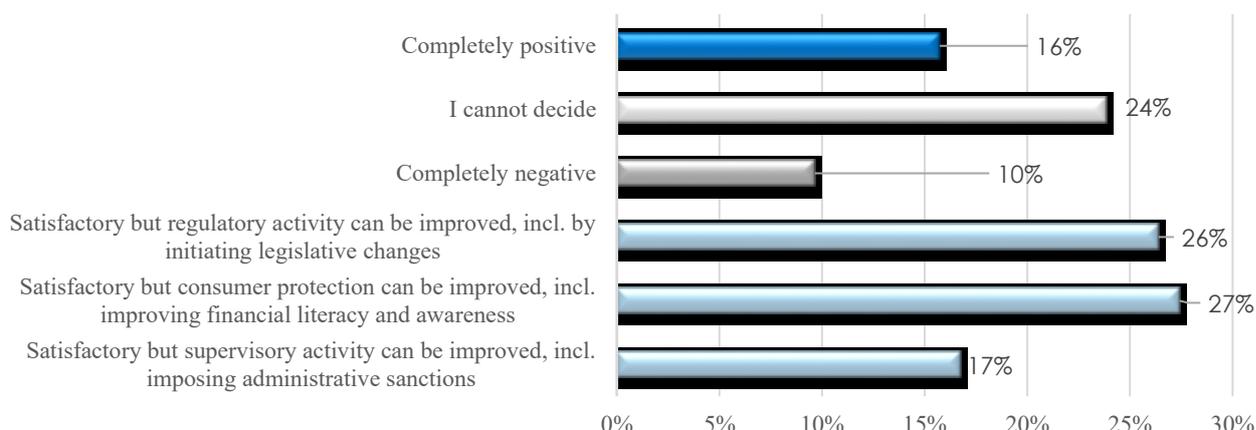


Figure 12

*The question provides the option to mark more than one answer

The consumers expect changes from the regulator regarding requests to protect their interests, legislative changes and initiatives to increase financial literacy. The innovation in the capital market, the new digital financial products and services, is a challenge for the consumer as well as for the regulator.

Measures taken by the FSC: The FSC organizes annual campaigns to inform and protect the rights of the different target groups. Periodically, the FSC publishes information materials and videos on its website to inform consumers how to invest safely. Moreover, the FSC has created the #InvestSafely website specifically for this purpose, with up-to-date videos and useful information for investors.

2.2. Insurance sector

According to the survey, 79% of the consumers state they use insurance services, 8% have used in the past, and 13% have never used any. (Figure 13)

Do you/have you used any insurance services?

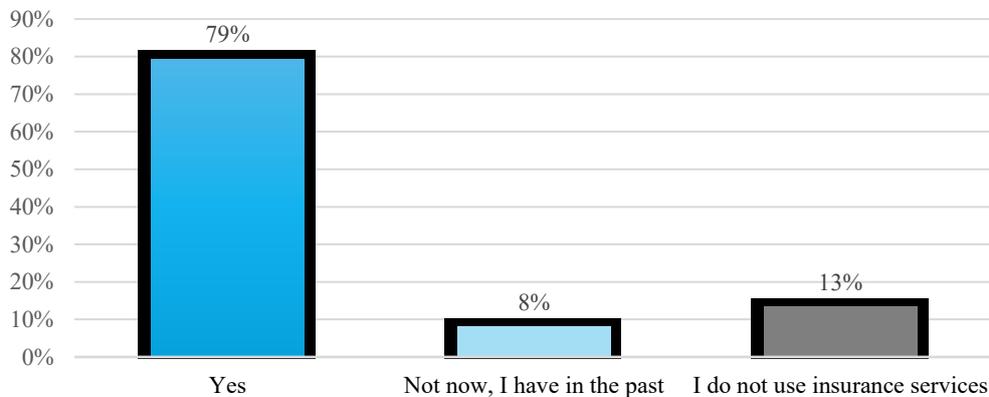


Figure 13

Given the compulsory nature of some insurance products, such as Third Party Liability insurance of the motorists, the high percentage of respondents states that they use insurance services, is understandable. The compulsory nature of some of these products also states for the high proportion of the types of used insurance products.

As expected, 85% of the respondents using/ or having used insurance products state that they had or had in the past a contract for Third Party Liability Insurance of the Motorists (Figure 14). It is evident from the data that although the insurance for “Land vehicles (other than rolling stock)” (CASCO insurance) is voluntary not compulsory, 68% state that they use or have used this type of insurance in the past. Also the high is the percentage of respondents that they had used property insurance and travel insurance abroad, 74% and 75% respectively; 55% have or have had health insurance, 42% state that they use life insurance and 9% state that they use/have used other insurance products.

Detailed analysis of the survey data of consumers with property insurance, state that 83% of property insurance consumers are residents of Sofia, Plovdiv, Varna and Burgas.

It should be noted that a large number of homes in these cities are acquired with bank loans, where it is mandatory to take out insurance on the mortgaged property. Relevant to consumer satisfaction and preference is the feedback from

those using homeowners insurance on their own initiative, without it being a prerequisite for a mortgage loan.

The high percentage of overseas travel insurance consumers is understandable as the increasing number of travelers and their insurance culture to provide protection and comfort during their planned holidays/business trips.

What insurance products do you use/have you used?

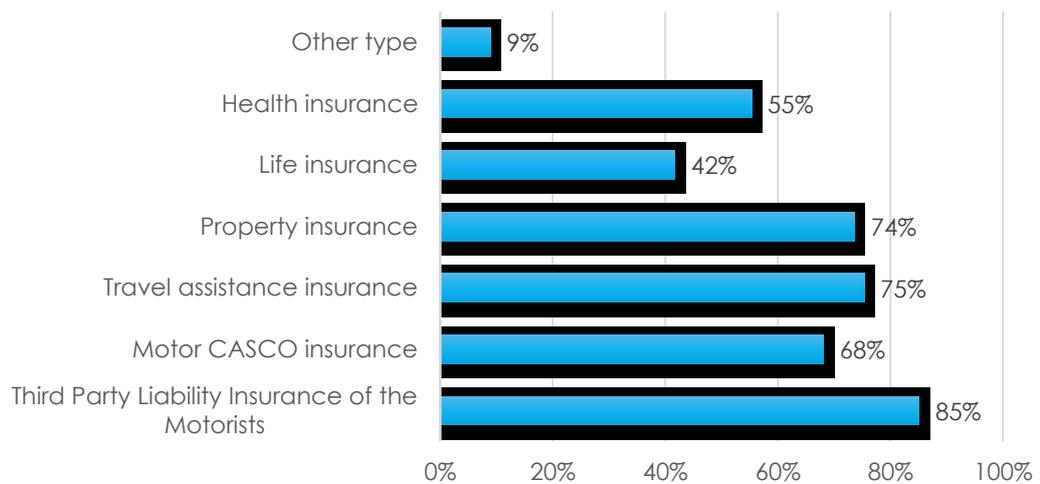


Figure 14

* The question provides the option to mark more than one answer

The answers of the consumers using Professional liability insurance are not included in the figure 14, because the insurance contracts are signed between the employers and the insurers, besides the answers of the representatives of the LEs, which show that 33% of them use or have used the product. It should also be kept in mind that some professions and processes, under current legislation, are obligated to take out professional indemnity insurance.

Consumers' preferences for choosing an insurance provider are presented in Figure 15. Most consumers prefer to use the services of an insurance broker - 68%, 59% - of an insurance company, and only 17% - of an insurance agent.

Whose services do you use/have you used when needing insurance services?

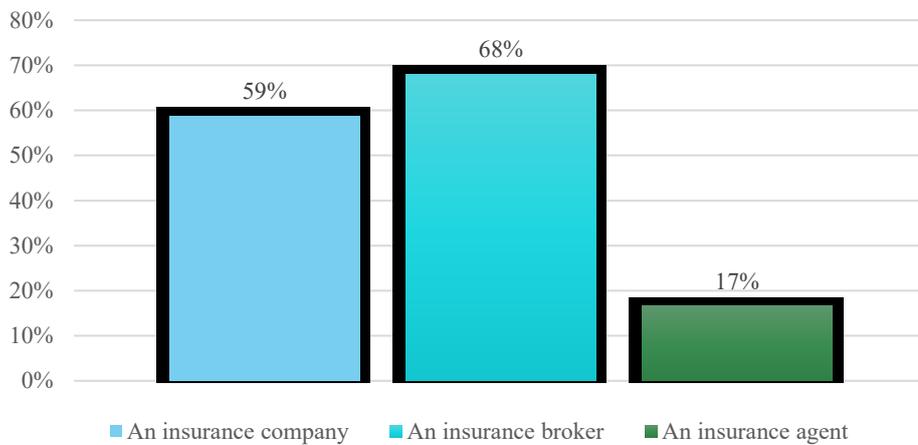


Figure 15

* The question provides the option to mark more than one answer

The satisfaction of insurance consumers is high - 46% of them express full satisfaction, 24% - partial satisfaction due to unclear "definitions" and risk covered conditions, 20% are partially satisfied due to low paid benefits, 19% - partially satisfied due to the lack of understanding of the provided information, 14% - partially satisfied due to the high premiums of the insurance policies, 6% - state that the statutory time to decision on claims not meet and 7% -are not or had not been satisfied. (Figure 16)

Are you satisfied with the services provided in the insurance sector?

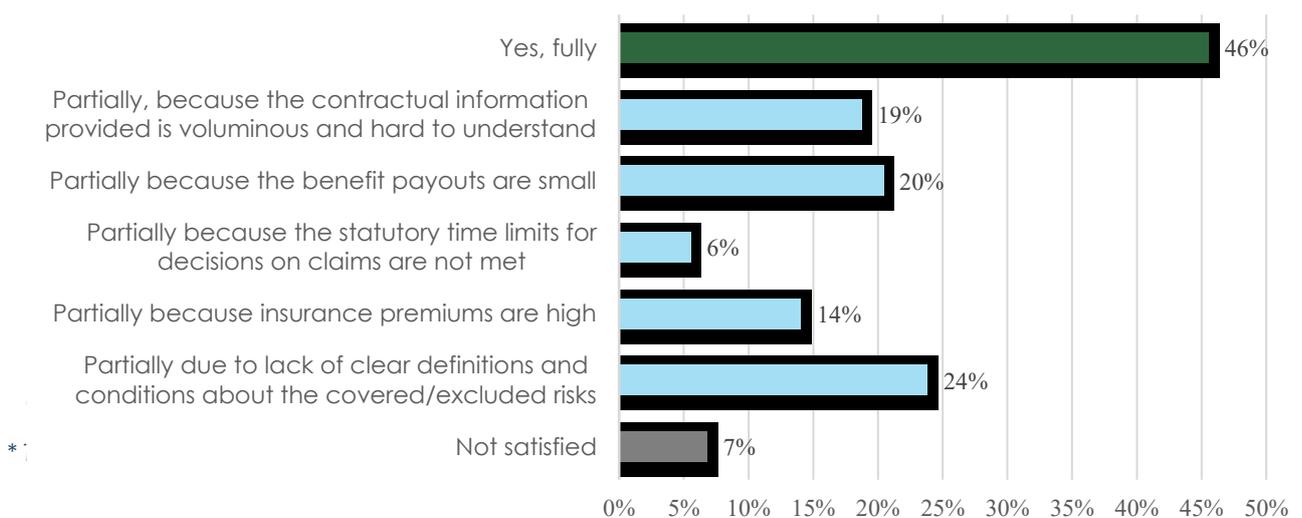


Figure 16

* The question provides the option to mark more than one answer

It is important to note that the insurance premiums should be based on a reasonable actuarial assumption as to the risk that the insurance company is assuming and the smooth payment of future claims on incurred risks. A higher indemnity should be paid only if the insurance company itself decides or a court orders that.

From the answers to the question whether the consumer have to change their insurance provider, 85% of respondents are satisfied (56% had not had to change and 29% had changed and at the moment are satisfied); 15% - have changed providers many times and at the moment are not satisfied with the service provided.

 **Warning:** The consumer must be informed of their rights, obligations and to require the service provider to provide them with full information when purchasing an insurance product in order to be able to assess whether the insurance product is suitable for their needs and purposes.

The consumer satisfaction with the regulator's activities is particularly important to the FSC. More than half of the respondents are satisfied with the Commission's activities, 18% indicate that they are fully satisfied, 25% are satisfied but believe that the regulatory activity should be improved, 23% are satisfied but the consumer protection should be improved, and 18% strongly believe that the supervisory activity should be improved; 26% can not decide, and 14% have a negative opinion of the FSC work . (Figure 17)

What is your opinion on the regulatory and supervisory activity of the FSC regarding the insurance market?

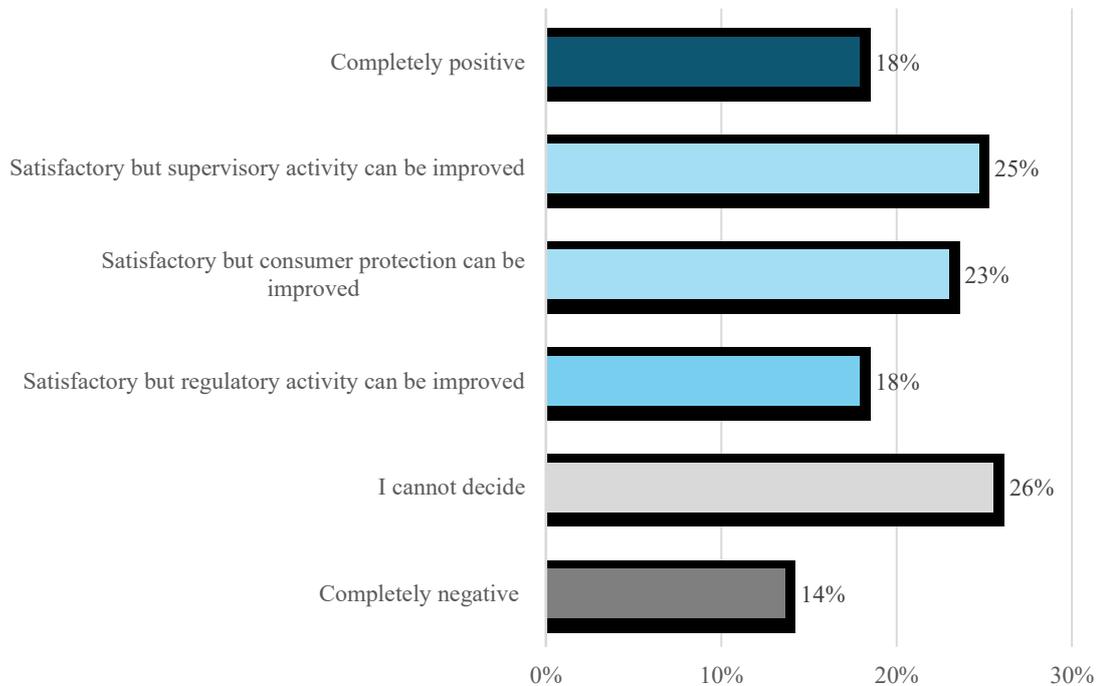


Figure 17

* The question provides the option to mark more than one answer

2.3. Supplementary social insurance sector

Over half of survey respondents - 56%, indicated that they currently actively use supplemental social insurance, 36% do not use such services at all, and 8% do not currently use any, but have in the past. (Figure 18)

Do you use supplementary social insurance?

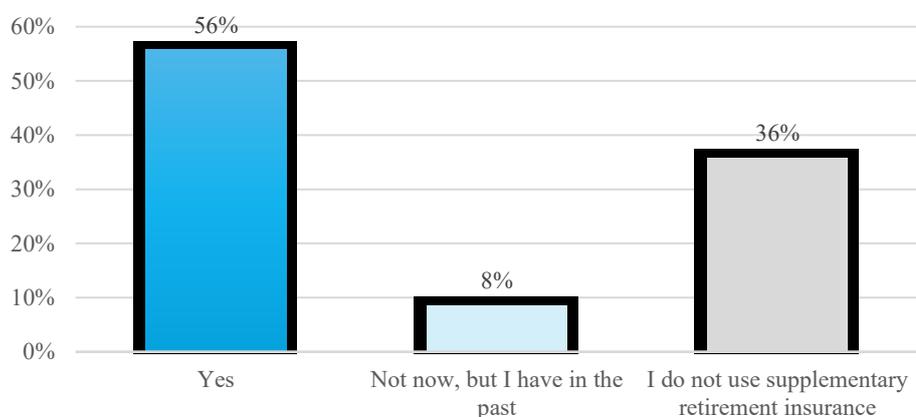


Figure 18

Supplementary social insurance comprises supplementary compulsory retirement insurance (insurance in the Universal Pension Fund and the Occupational pension fund) and supplementary voluntary retirement insurance. It should be kept in mind that insurance in the Universal Pension Fund is compulsory for all actively working and/or socially insured persons born after 31.12.1959 (unless they choose to change their social insurance from the Universal Pension Fund to the public social insurance). Consequently, 36% of the respondents have already reached retirement age, are unemployed or have used the option to be insured in the “Pensions Fund” of the public social insurance with a contribution increased by the amount of contribution to the universal pension fund.

Warning: It is important to note that insurance in the Pension Fund of the public social insurance and insurance in the Universal Pension Fund are very different in their essence.

In the case of public social insurance, contributions are paid into a pool account for all persons. Contributions made on behalf of the social insured persons are not inherited and do not earn a return. Some specifics of supplementary social insurance are: contributions are paid into individual social insurance accounts, the funds are invested in accordance with the Social Insurance Code in a strictly defined list of investment instruments, the accumulated funds are inheritable, the insured person is entitled to a lump sum or deferred payment of up to 50% of the funds accumulated in the individual account in the event of a permanently reduced working capacity of more than 89.99%.

It should be noted that persons who are currently eligible to retire have not been insured under supplementary social insurance during their entire working life.

As the number of years of participation in supplementary pension insurance increases, the individual can realistically assess the overall effect of the capital-funded model of retirement insurance through the investment of contributions and the achievement of a return. Of those individuals who participate in supplementary social insurance, 90% are insured in UPF, 44% in the SVPI and 6% in OPF. (Figure 19)

What supplementary social insurance products do you use?

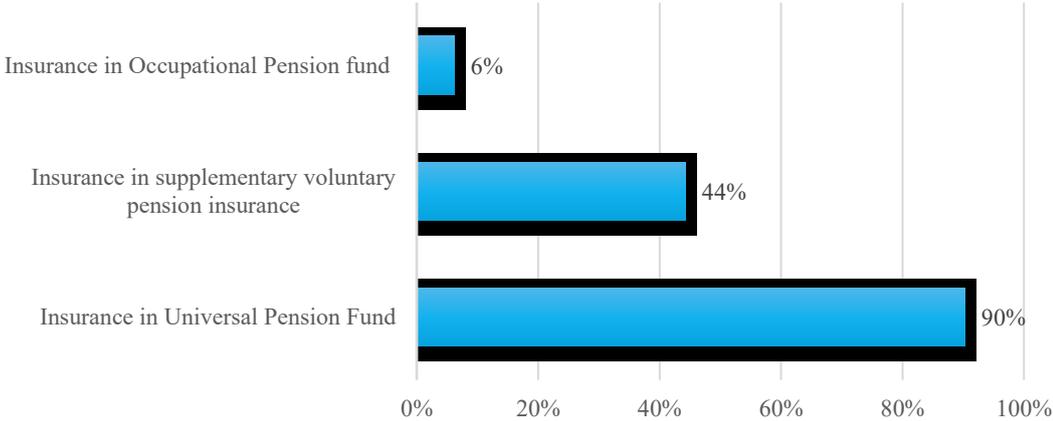


Figure 19
 * The question provides the option to mark more than one answer

The results are as expected, given the compulsory nature of insurance in Universal Pension Funds. Considering that insurance in Occupational pension funds is compulsory only for certain types of occupation, the low percentage of the insured in this fund is also explainable.

Insurance in the supplementary voluntary retirement fund is voluntary and comes either at the expense of the insured person or at the expense of an employer, if initiated by the latter. Participation in a supplementary voluntary retirement fund is a highly flexible pension product that allows for funds to be set aside for post-retirement. The contribution and the frequency of payment are decided on by the insured person, including the possibility to skip a monthly contribution if necessary without breaching the insurance contract.

In the future, a higher number of contributors to the supplementary voluntary retirement fund would be a clear sign that society recognizes to the added value to achieve an adequate replacement income in post-retirement.

Satisfaction with the services provided in the supplementary social insurance sector is high, with 23% expressing absolute satisfaction, 31% are satisfied because of high fees of retirement insurance companies, 21% are partially satisfied because of insufficient information about their rights, 39% are partially satisfied because of

profitability, 10% are partially satisfied because they feel that their rights to a personal choice of a pension fund are violated, and 17% are not satisfied at all. (Figure 20)

The list of financial instruments pension funds can invest in, as well as the allocation limits, are legally defined by legislation in order to reduce investment risk. Lower risk implies relatively lower returns, so a reduction of fees in supplementary pension insurance would allow for an increase of the accumulated funds in the individual accounts of the insured persons.

Are you satisfied with the services provided in the supplementary social insurance sector?

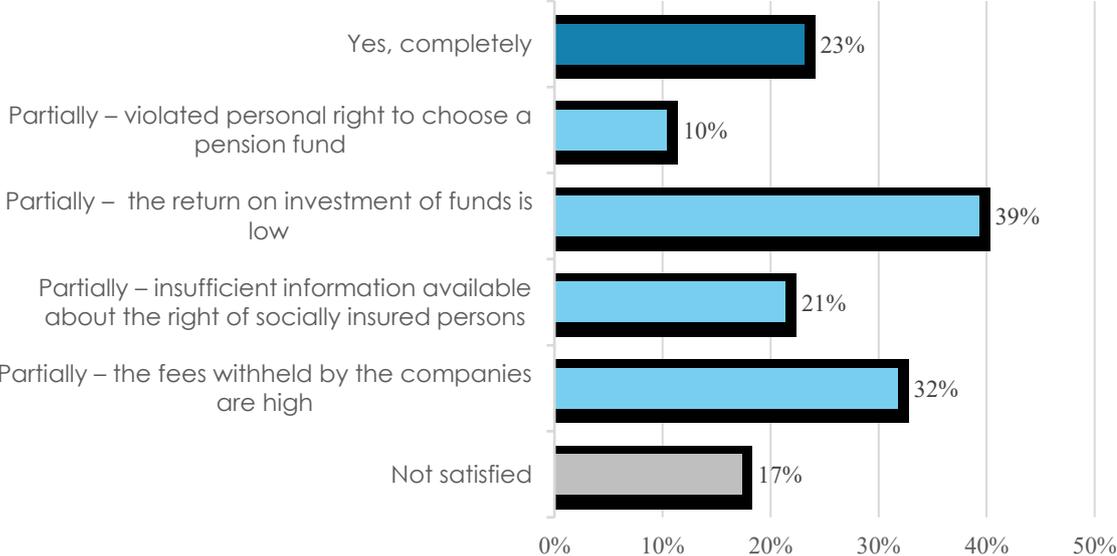


Figure 20
 * The question provides the option to mark more than one answer

Their survey participants' satisfaction with their retirement insurance provider totaled 83%, of which 53% indicated that they have never changed provider and 30% - that they have had to change, but are satisfied with their current provider. 16% have changed provider many times, but have never been able to find a provider that satisfies the conditions that are important to them. (Figure 21)

Have you had to change your pension insurance provider due to dissatisfaction with the services offered?

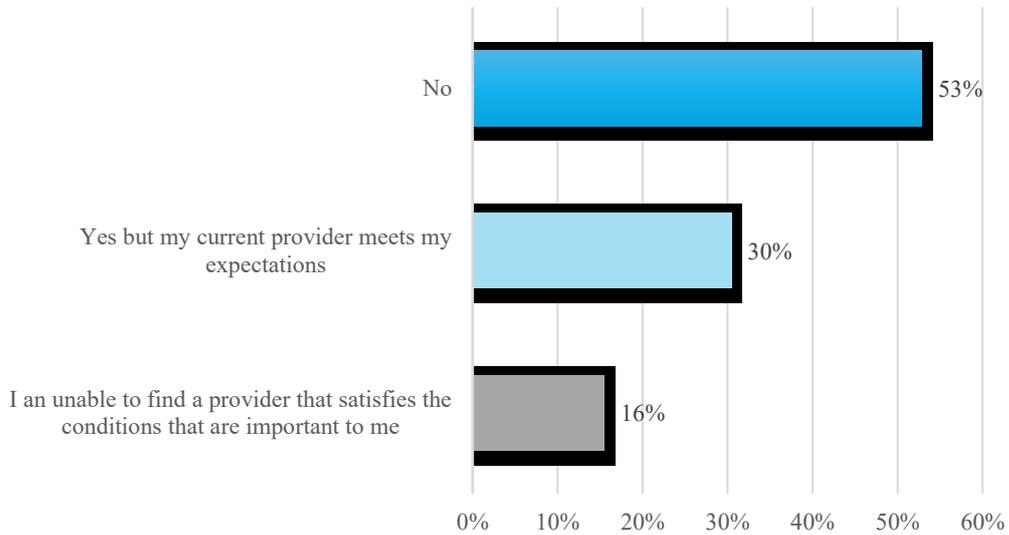


Figure 21

More than half of the respondents who use supplementary social insurance services expressed satisfaction with the FSC's activities, with 17% having an entirely positive opinion, 24% satisfied with the FSC's activities, but felt that regulatory activities could be improved, 26% indicating that they were satisfied, but that consumer protection activities could be improved, 12% satisfied, but felt that supervision of supervised entities should be improved, 24% unable to say whether they were satisfied, and 18% expressing a negative opinion. (Figure 22)

What is your opinion on the regulatory and supervisory activity of the FSC regarding the supplementary social insurance ?

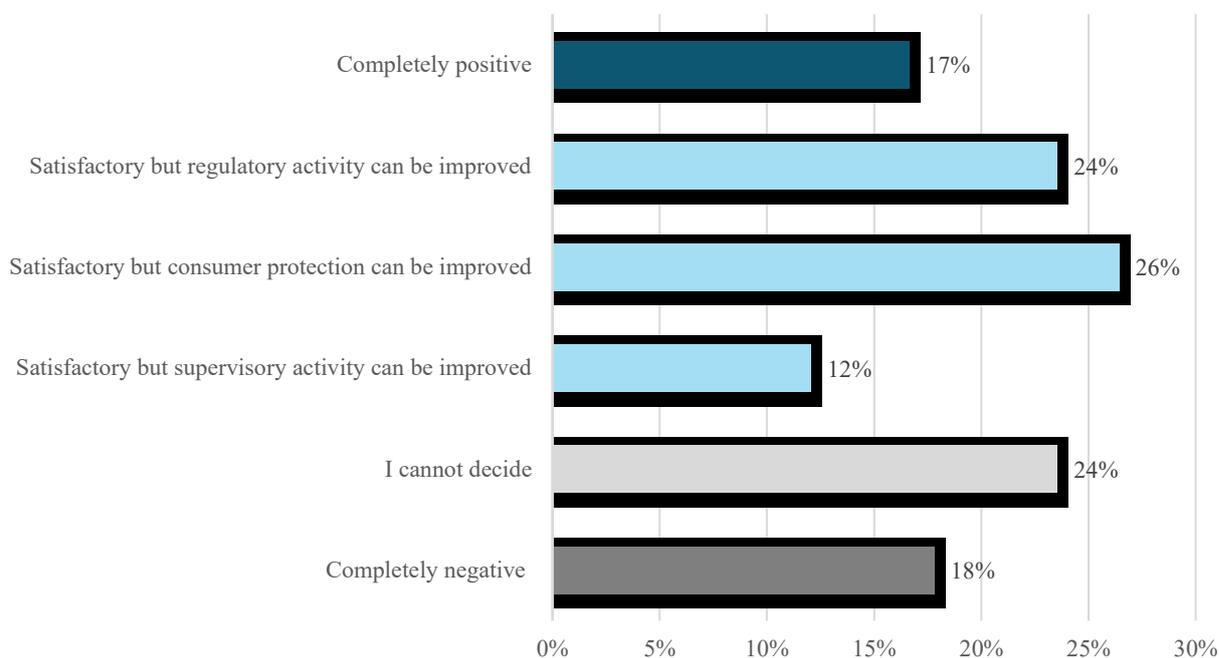


Figure 22

* The question provides the option to mark more than one answer

2.1. Consumer feedback

The survey provides to the consumers an opportunity to express their views, to make specific recommendations in the three sectors, including the Commission's activities, such as:

- Improving supervision to ensure strict compliance with regulations in the three sectors;
- raising consumer awareness through educational initiatives/seminars and increased media presence;
- publishing on the FSC's website more information materials;
- establishing a dialogue for better understanding/implementation of regulations, including European legislation;
- ensuring timely assistance with complaints from non-bank financial services consumers.

Consumer protection is a fundamental pillar of the FSC's mission. The consumer awareness of the used products is directly related to the consumer satisfaction. The FSC's website and the dedicated webpage *Your finances* periodically publish materials related to insurance, reinsurance and investment activities to inform consumers about products and services in the non-bank financial sector. Every educational initiative of the FSC or participation focuses on important

details of using products and services in the non-bank financial sector to raise consumer awareness of their rights and obligations. Only taking an informed decision to use a product/service, the consumer has real expectations, which increase in satisfaction.

In the complaint process, the FSC requests documents and explanations from the relevant supervised entity to establish all the facts and circumstances of the case in order to protect the rights of the consumer. Within the framework of its statutory powers, the Commission strives to assist the consumer in resolving the case if his rights have been violated or to provide him with sufficient and additional information on what legal grounds their claims cannot be satisfied. The FSC aims to keep stability in the non-bank financial sector and increase consumer confidence. This is evidenced by the Commission's efforts to promote the possibility of out-of-court dispute resolution among consumers.

To improve the consumer experience, the Commission provides on its web page easily accessible, visually adapted modern and digital information materials on how complainants can identify the supervised entities as well as use alternative dispute resolution options through sectoral conciliation committees.

3. Analysis of results on usability of digital channels and sustainability-related products by sector:

Given the rapid penetration of the new technologies, products and services in the non-bank financial sector, the behavior of consumers and their tendency to use new digital opportunities are important for the regulator. However, the consumer must also be aware of the possible risks of using them.

3.1. Capital sector

According to the survey, over half, 55% of the respondents using investment service use digital channels.

Do you use a digital channel to see the pre-contractual information or to conclude a contract for provision of investment services?

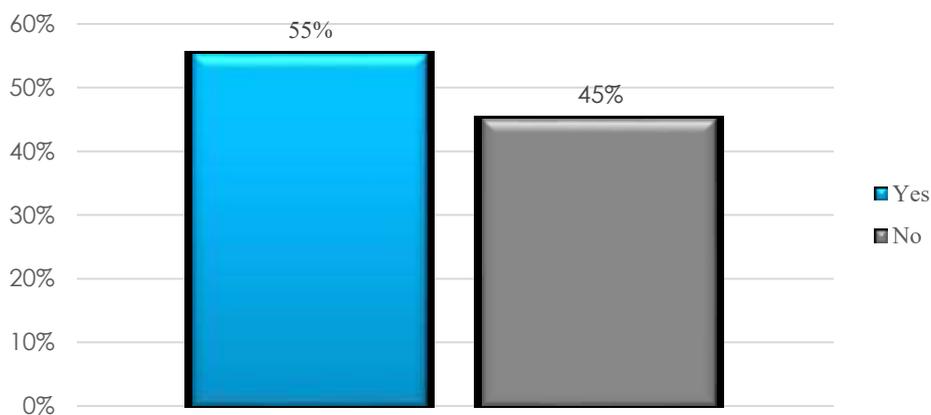


Figure 23

The analysis shows that there is difference between the easily visualized information to consumers when using digital channels and the expected and relevant to them information. (Figure 24) Over 73% of consumers indicate that it is important for them to get information about fees and commissions in an easily accessible place/page, but only 36% indicate that this is the real situation; for 59% - the main important is to obtain information if the service provider is licensed to carry on investment business, but 33% state that the information is displayed in an easily accessible place/page. The consumers also have higher expectations about the information on contractual terms: 44% say that this information is important, but only 21% indicate that it is available at an easily accessible place/page; 33% say that the guarantee schemes information that back their investment is important, but only 11% state that it is accessible in a prominent place.

The consumers opinion on what information is important to them is also useful for investment service providers to increase consumer satisfaction with their services.

Information for consumers

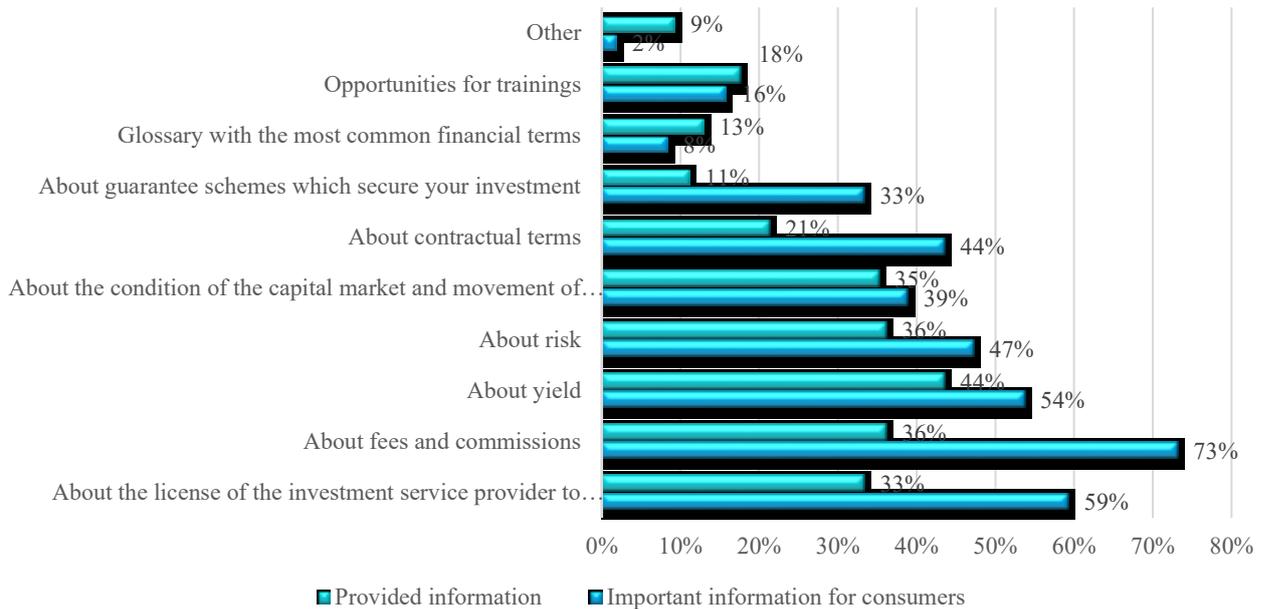


Figure24

* The question provides the option to mark more than one answer

Over 31% of the consumers using digital channels in their investing process state that they do not trust any investment advice or information received through digital channels. However, 54% of consumers indicate that they trust information and investment advice from professional licensed advisors, 26% trust information shared on social media, 6% of consumers indicate that they trust investment advice and information from AI or influencers. (Figure 25)

Warning: It should be noted that there is a significantly high risk of relying on influencers or AI for investment advice or recommendations. Many popular personalities who are not licensed to provide investment advice, as well as AI tools that do not allow for the assessment of the relevance and individualization of investment recommendations to knowledge, skills, education, work experience, investment objectives, risk appetite and returns, mislead investors. A warning to persons providing investment recommendations is published on the website of the FSC, because according to the Enforcement of Measures against Market Abuse of Financial Instruments Act (EMMAFI), the dissemination of false or misleading information on social networks or the selective disclosure of inside information may result in an administrative penalty. The use of AI on all topics and issues is becoming widespread in everyday life, but consumers should be mindful of its characteristics, information-gathering algorithm and careful when using it for investment purposes.

Would you trust information and investment advice provided via the following digital channels :

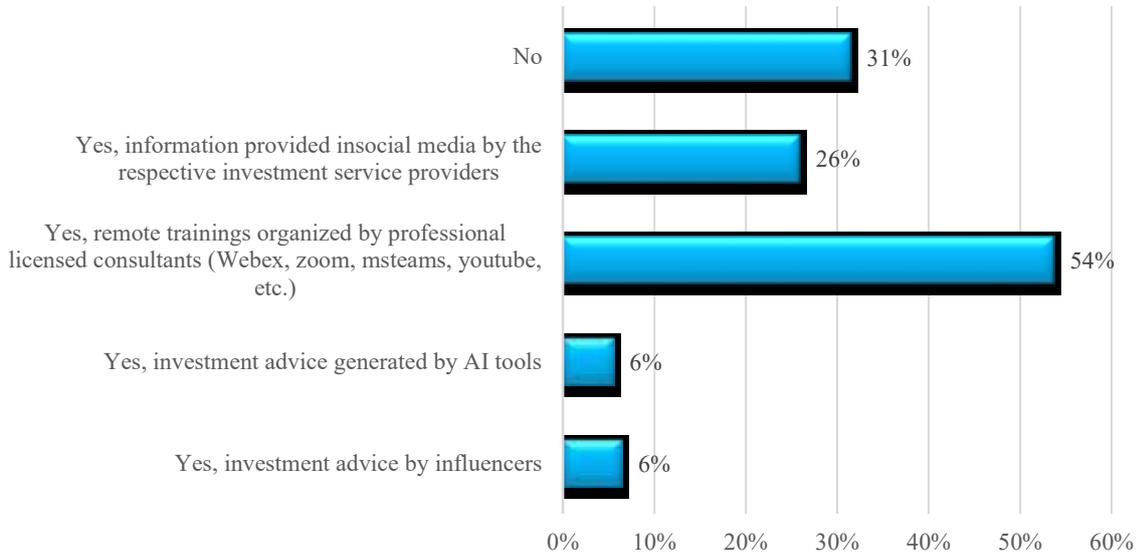


FIGURE 25
* The question provides the option to mark more than one answer

Given the importance of the topic of sustainable investments and the growing public interest, the analyses of the information if consumers using investment services are interested and invest in sustainable products, shows that 59% do not invest in a financial product related to sustainable investments, 24% have invested in such products and 17% plan to do so (Figure 26).

All those who invested in sustainable financial products state that they had received prior information about the key concepts that were used to assess their consumer preferences.

HAVE YOU INVESTED IN A FINANCIAL PRODUCT RELATED TO SUSTAINABLE INVESTMENT

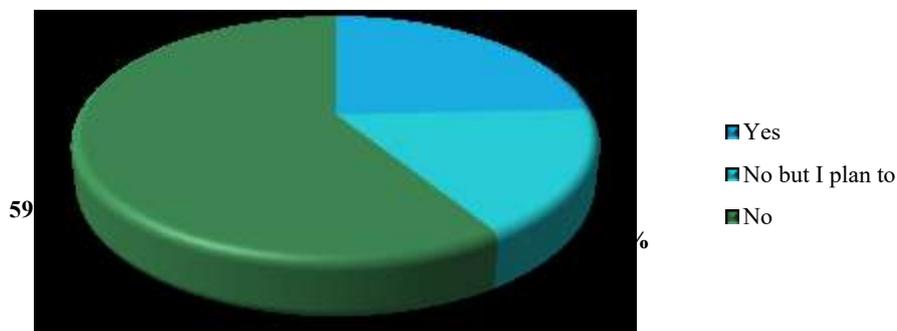


FIGURE 26

3.2. Insurance sector

According to the survey, 42% of consumers use or have used digital channels when providing pre-contractual information, signing an insurance contract or making an insurance claim, while 58% indicate that they have never used them. (Figure 27)

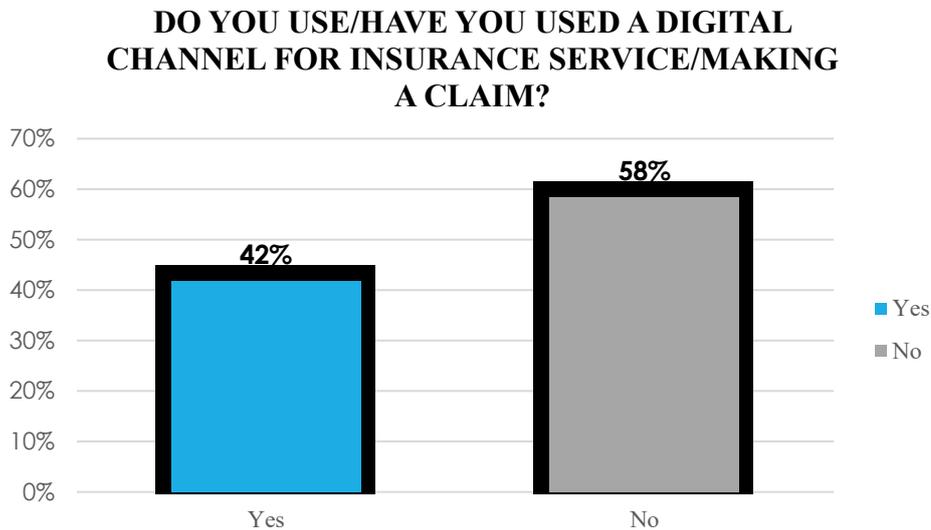


Figure27

Compared to: consumers using investment services - 55% indicate that they use/have used digital channels; using insurance services - 42%.

Most consumers indicate that they use digital channels to enter into a contract or make an insurance claim: travel abroad - 38%, Casco insurance - 37%, Third Party Liability insurance of the motorists - 35%, real estate - 30% and health insurance - 24% (Figure 28).

The exception to the above are consumers stating that they use digital channels to take out life insurance or unit-link - 8%.

What type of insurance product have bought/what claim have you filed via a digital channel?

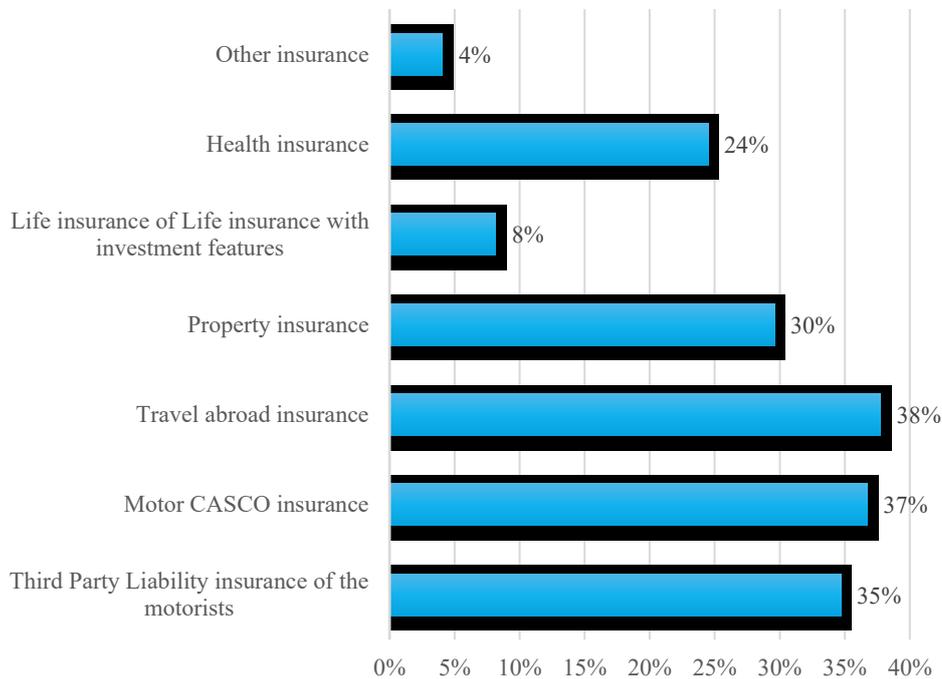


Figure28

*The question provides the option to mark more than one answer

The reason for this is that the unit-link insurance is a complex financial product, and the need for explanation and understanding by the consumer of all the binding contract clauses .

In terms of the provided information when using a digital channel and how important it is to the consumer, the data in Figure 29 show that there is a large overlap between the expectations of the consumer and those of the service provider. There is a gap in consumer satisfaction - in the case of information provided by re/insurers on the insurance premium and on how to make a claim and the required documents is.

Information for consumers

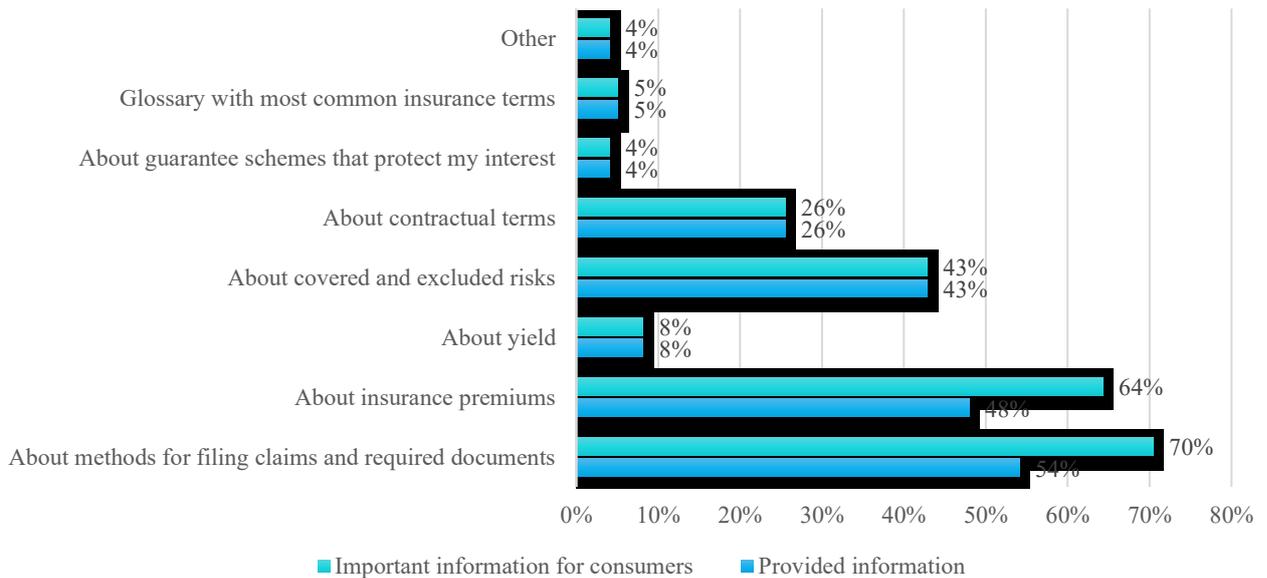


Figure 29

* The question provides the option to mark more than one answer

Regarding the use of sustainability-related products, only 3% of consumers indicate that they have a contract for a sustainable investment insurance product, 11% - plan to do so, and 86% have not used such a product and do not intend to use one. (Figure 30) The consumers using such investment products are significantly fewer - 24% (Figure 26).

The reason is the fact that the portfolio of many CISs is already oriented towards investments in companies that seek to develop sustainable activities, and some public companies, already disclosing the percentage of investment they make with the aim of limiting carbon emissions, improving governance and emphasizing human resource assessment policies, aim to attract investors through an ESG risk management strategy.

All consumers of sustainability-related insurance products state that they have been provided with information on the nature and basic concepts of this type of products.

HAVE YOU INVESTED IN AN INSURANCE PRODUCT RELATED TO SUSTAINABLE INVESTMENT?

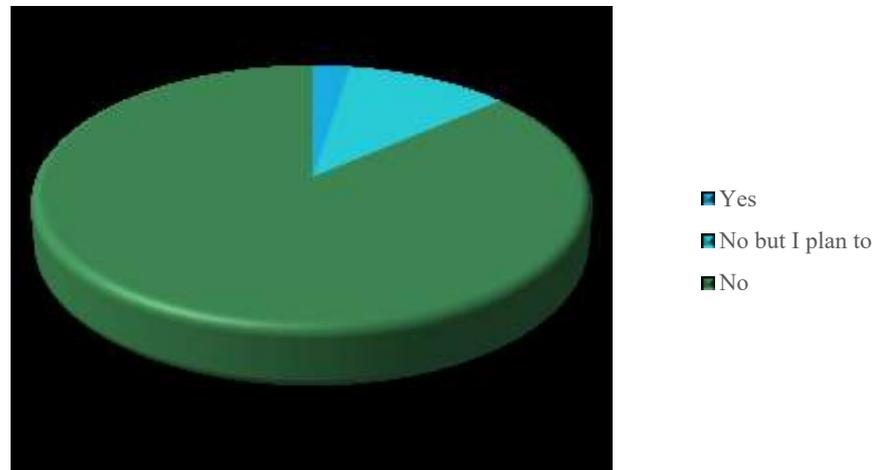


Figure 30

3.3. Supplementary social insurance sector

For consumers of supplementary social insurance products and services, only 21% indicated that they use or have used digital channels - Figure 31. (In comparison, in insurance the percentage is 42% and in investment services it is 55%).

DO YOU USE/HAVE YOU USED A DIGITAL CHANNEL FOR USING SUPPLEMENTARY SOCIAL INSURANCE?

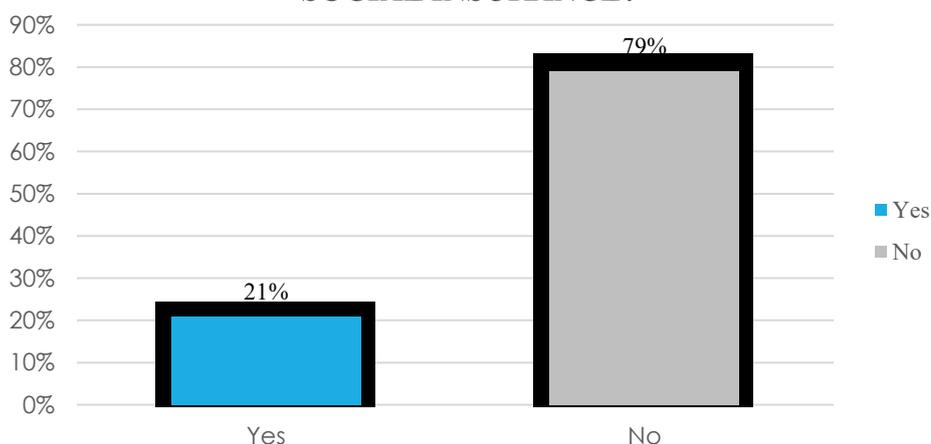


Figure 31

The data suggests that supplementary social insurance consumers are least likely to use digital channels. However, this is also to some extent related to the nature of supplementary social insurance products.

Consumers using digital channels indicate that supplementary social insurance providers present the information and historical yield data of the fund in the best way. Consumers' expectations are for information on contractual terms, fees and commissions, fund yield, and historical fund yield data, and investment policy, to be presented in a visual way. The consumers expect more easily accessible and visible information when using digital channels for insurance services. The consumers want all information to be accessible: returns, charges, investment policy, historical fund yield data and contractual terms. (Figure 32)

Information for consumers

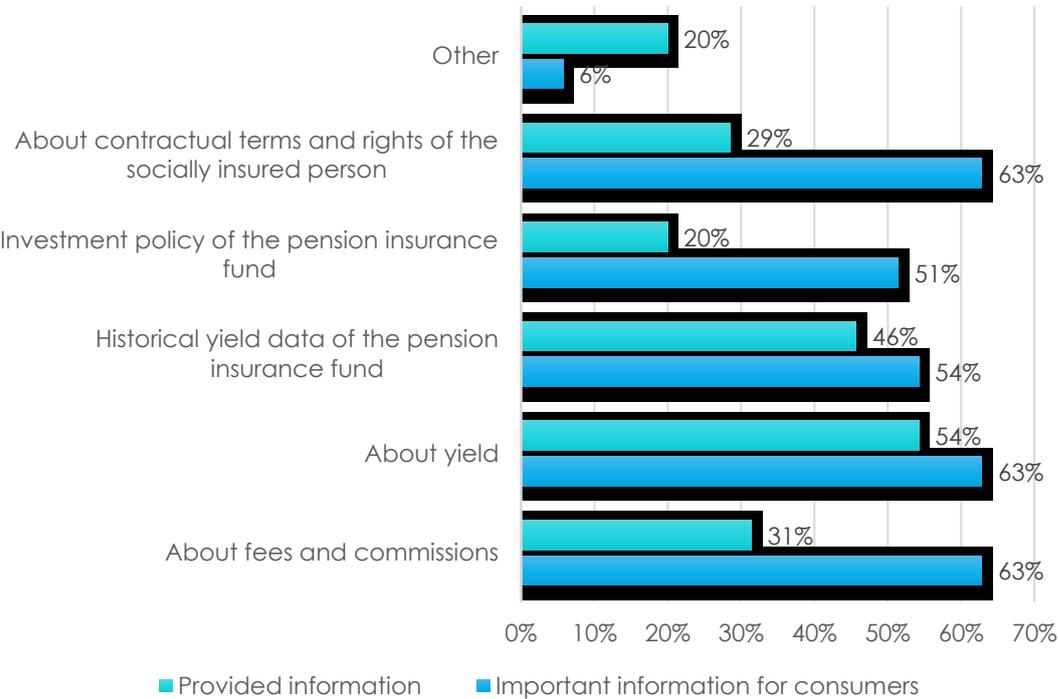


Figure 32
 *The question provides the option to mark more than one answer

Only 4% of supplementary social insurance consumers participate in pension schemes with sustainable investments, while 7% say they plan to do so. (Figure 33). All those who currently participate in sustainable investment pension schemes state that they have received information about the nature of these schemes.

HAVE YOU PARTICIPATED IN PENSION SCHEMES WHICH MAKE SUSTAINABLE INVESTMENTS?

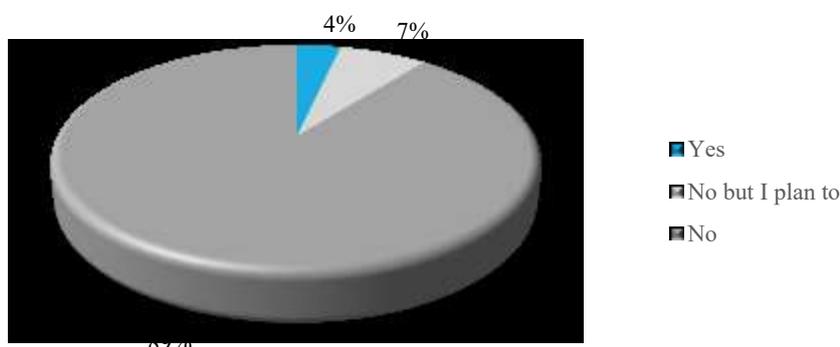


Figure 33

The received information implies that in terms of the use of digital channels, capital market participants are most interested and willing to use them, followed by insurance products' consumers and then supplementary pension funds' consumers.

In terms of the information received through digital channels, the insurance products' consumers are more satisfied, find it easier and it is largely relevant to the information they are looking for.

Capital market participants and insurance products' consumers do not always find the information they need as easily when using digital channels.

In terms of sustainability, capital market participants are most interested, while insurance and supplementary social insurance products' consumers are not yet widely aware of the types of products on offer and need to take action to improve their financial knowledge.

III. Conclusion

The main priorities of the FSC are the establishment of a predictable legislative framework aligned with European practices, which protect the consumer interest in a secure, stable and evolving business environment.

Consumer feedback on the products and services they use opens up new opportunities for insurance, supplementary social insurance and capital market companies, creating the conditions for improving the consumer experience through the digitalization of processes. This, in turn will reduce the costs of offering and delivering products and speed up the distribution process.

Feedback from users of sustainable financial products and services demonstrates a new understanding of the ideology of the Paris Agreement on climate change, giving purpose and vision to companies committed to fostering human potential, optimizing governing practices and reducing their carbon footprint.