



FINANCIAL SUPERVISION COMMISSION



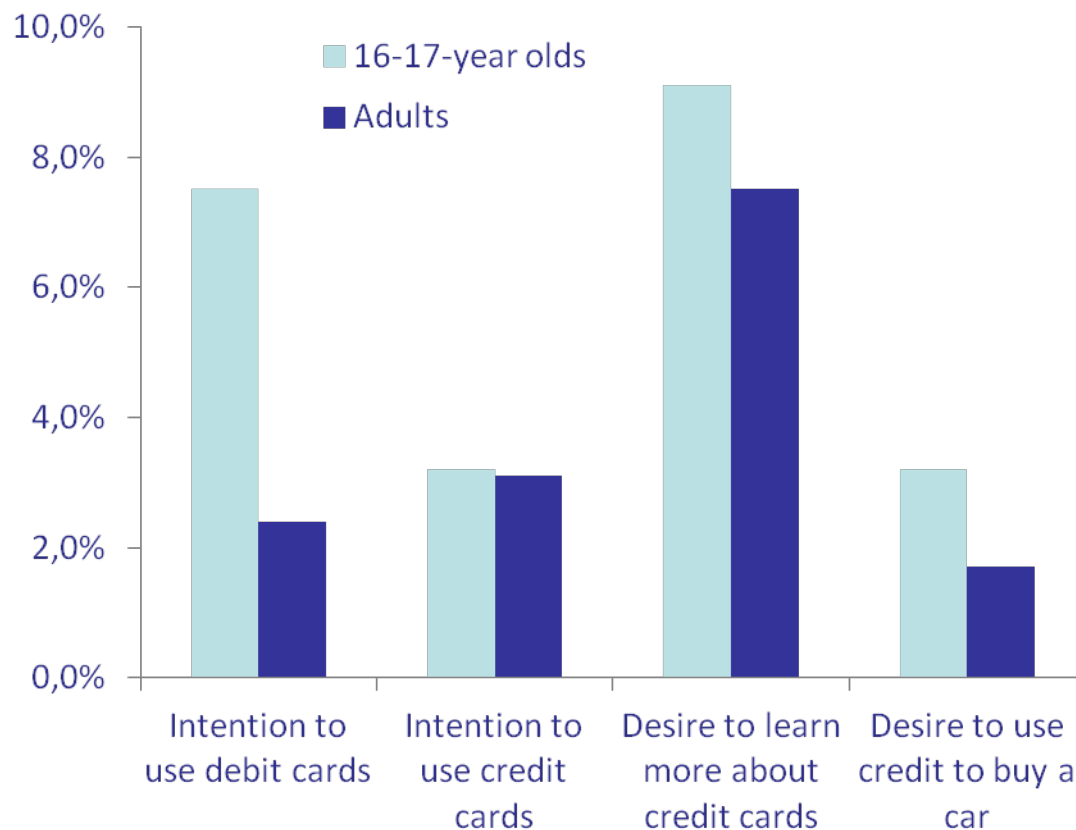
Strengthening the Population's Financial Capability



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Financial literacy in Bulgaria

- **Low level of financial literacy overall**
- **47% of respondents with poor or none financial literacy**
- **53% of the 16-17-year olds with weak financial literacy;**



Source: World Bank study on financial literacy in Bulgaria (2010)

The way forward: financial education

➤ **EU financial markets legislation**

National programs for financial education – one of the few tools that remain at national supervisory authorities' disposal.

➤ **OECD recommendation**

The governments should develop, at national level, appropriate specialized structures which should be in charge of promoting and coordinating risk awareness and financial education of the population.

Why is financial education important?

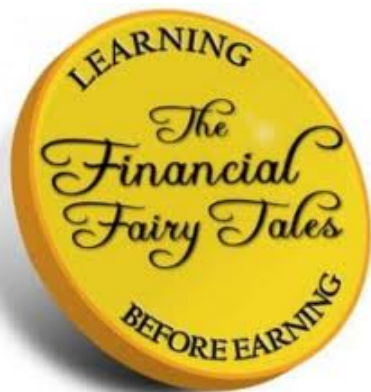
- Uncertainties and sophistication of the financial landscape;
- More complex products and increased supply of financial products;
- Inability for the financial regulators always to keep pace with the financial innovation;
- More households investing more income in financial assets;
- Enhanced individual responsibility in credit, health, pensions and insurance products;
- Low level of financial literacy and capability of individuals;
- Individuals overestimate their financial knowledge and skills;
- Lack of confidence of individuals in financial institutions.

Approaches to financial education

- FSC's main goal is to improve consumers' understanding of financial markets, financial products and concepts
- FSC achieves its objective through the following methods:
 - ✓ Cooperation and active interaction with many government authorities and Ministries;
 - ✓ Seminars, organised for education of various target groups, including supervised entities, in the field of new or amended EU legislation;
 - ✓ Public-Private partnerships with various business organisations.

Protection of the Consumers of Financial Services and Enhancement of the Financial Literacy - main priority in the FSC's Strategy for 2012-2015

FSC's core priority is to ensure the protection of the consumers of financial services and products...



...through...



...financial education
and increased awareness.

Program for protection of consumers of financial services and better financial literacy

- FSC launched the Program in March 2012
- Analysis of the situation in the field of consumer protection;
- Financial literacy – essential condition for increasing the level of effective consumer protection;
- Concrete objectives, measures and actions for increasing financial literacy and consumer protection.

Financial education: advantages for the Financial Service Providers (FSPs)

- FSPs fulfill their social responsibility remit...but not only
- FSPs focus on educating people so as to create demand for their products
- Financial education is essential for expanding the outreach and inclusiveness of the financial system
- Financial education helps expanding FSP business operations to newer segments of the population
- Financial inclusion efforts are essential for ensuring long term sustainability and scaling up of the FSP business

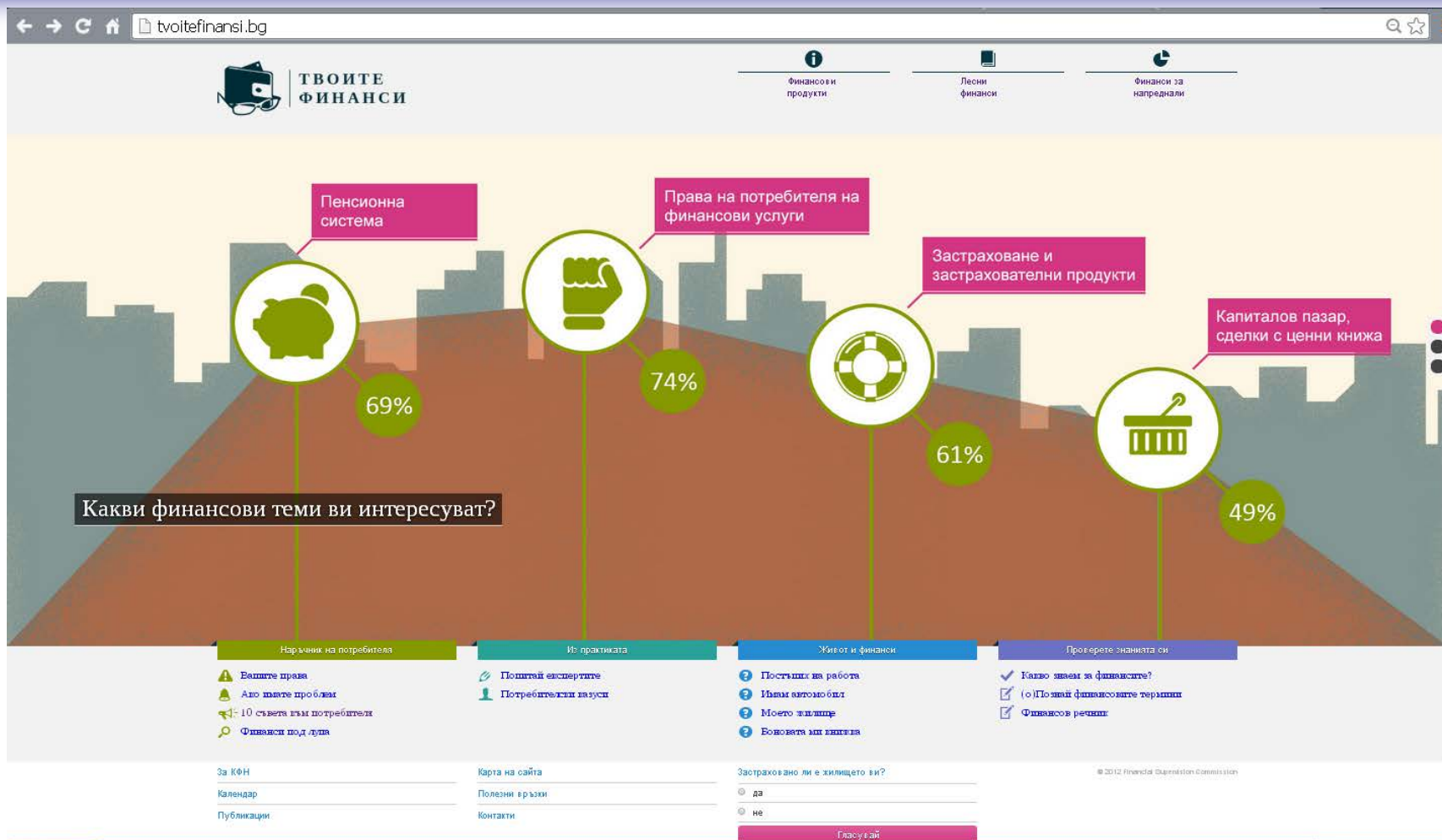
Steering Committee for financial consumer protection and financial literacy

- In August 2012 this inter-institutional structure was established in order to foster the close cooperation with the World Bank
- Wide consensus between members of the Steering Committee for the elaboration of National Strategy for enhancing the financial literacy of the consumers of financial services in Bulgaria
- Currently a working group with the relevant stakeholders is preparing the draft text of the ***National Strategy for enhancing the financial literacy in Bulgaria (2015-2019)***

Initiatives of FSC: some success stories

- Educational programs for students –*Finance for students - Non banking financial sector*;
- One-day module program on capital / pension insurance / insurance markets for students from schools or universities (organised upon request);
- Meetings and seminars organised jointly with the industry organisations;
- Educational seminars focused on professional groups- teachers, journalists;
- Public campaigns for education and explanation of the developments in the legislation;
- www.tvoitefinansi.bg – web page of the FSC for the consumers of non-banking financial services with modern design and innovative applications attractive for young people.

A dedicated portal aimed at financial education and consumer protection: www.tvoitefinansi.bg



Thank you!



Financial Supervision Commission

<http://www.fsc.bg/>