

BANKING MARKET IN POLAND 2010-2012, CEE BANKING SERIES /Update 1H 2010/



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**by Intelace Research
October 2010**

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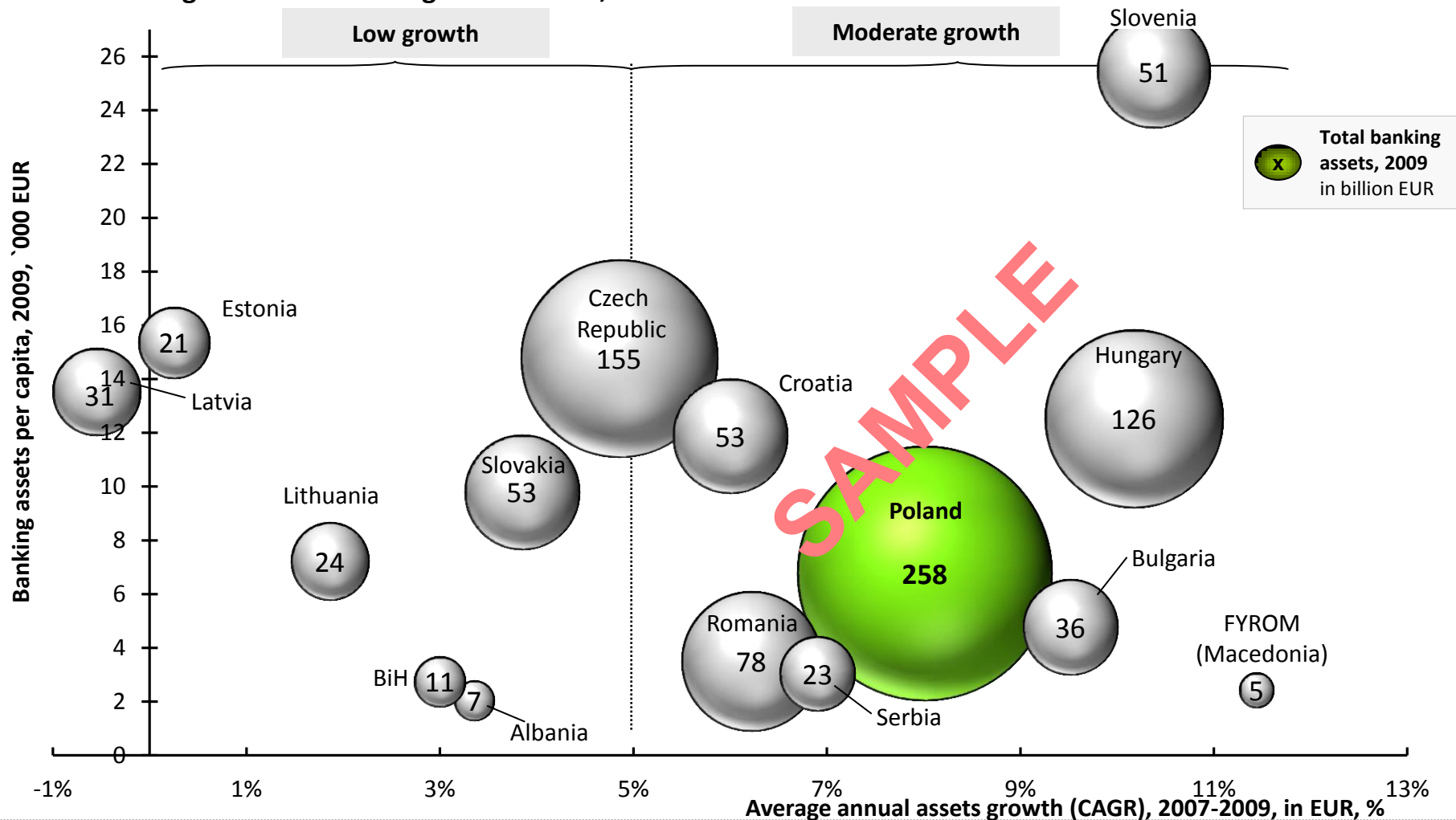
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9. Note on methodology

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POLAND HAS THE LARGEST BANKING MARKET IN THE CEE15* AREA.

CEE15* banking markets - Size vs. growth matrix, 2007-2009



Banking Market in Poland 2010-2012, Update: 1H 2010

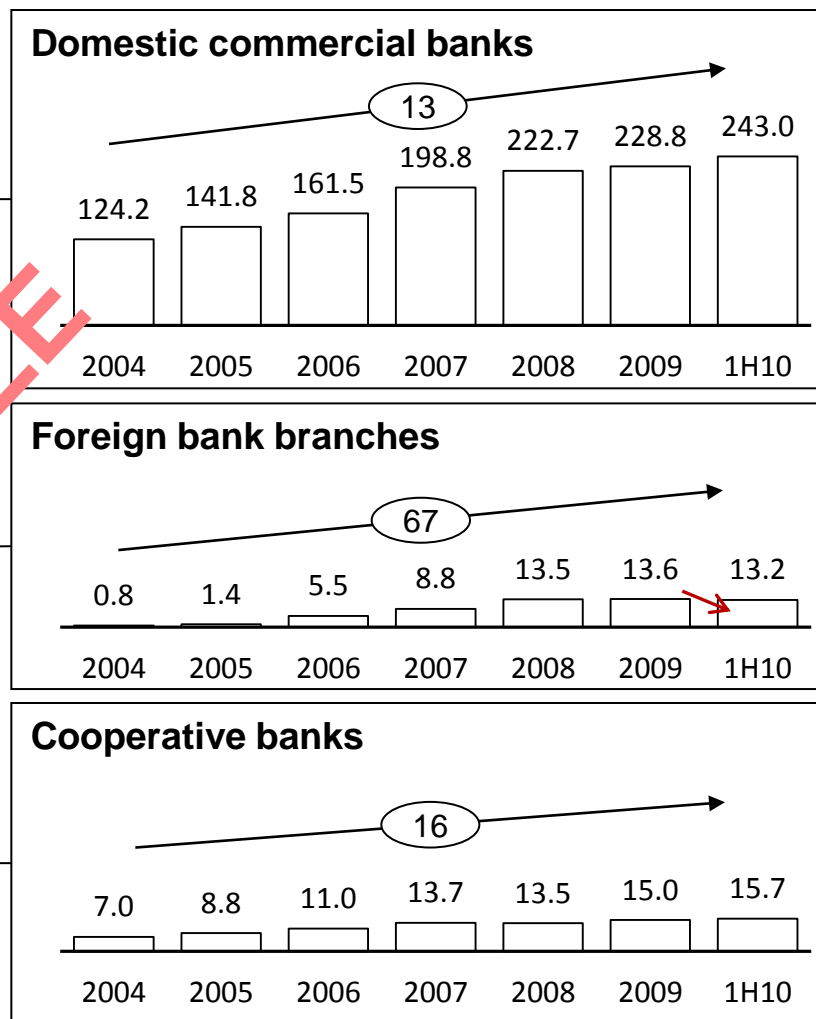
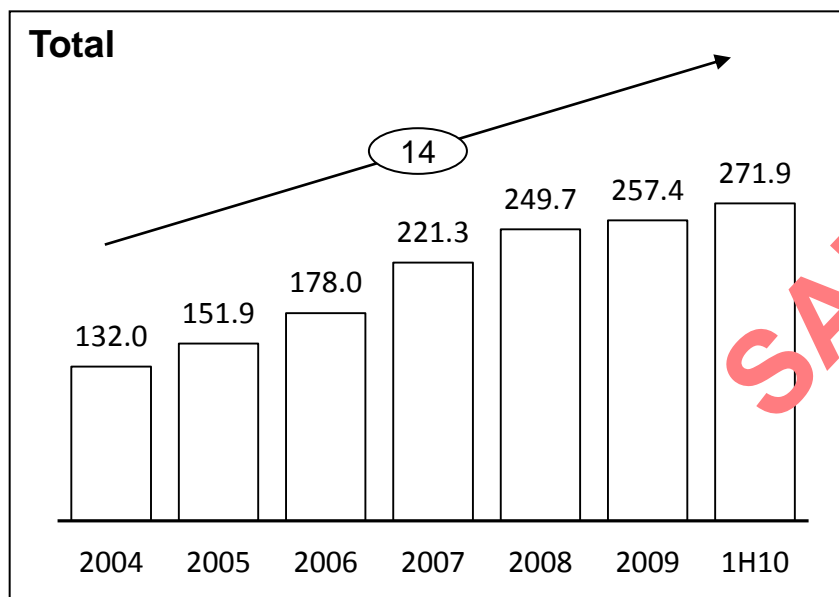
* Major 15 CEE countries. Russia, Ukraine and Belarus not included

Source: Central banks, IMF, Intelace Research

EXPANSION OF FOREIGN BANK BRANCHES IS SLOWING DOWN DUE TO THE GLOBAL CRISIS. ASSETS OF LOCAL BANKS KEEP GROWING QUICKLY

CAGR*

Banking assets by group of banks 2004-1H2010
EUR billion

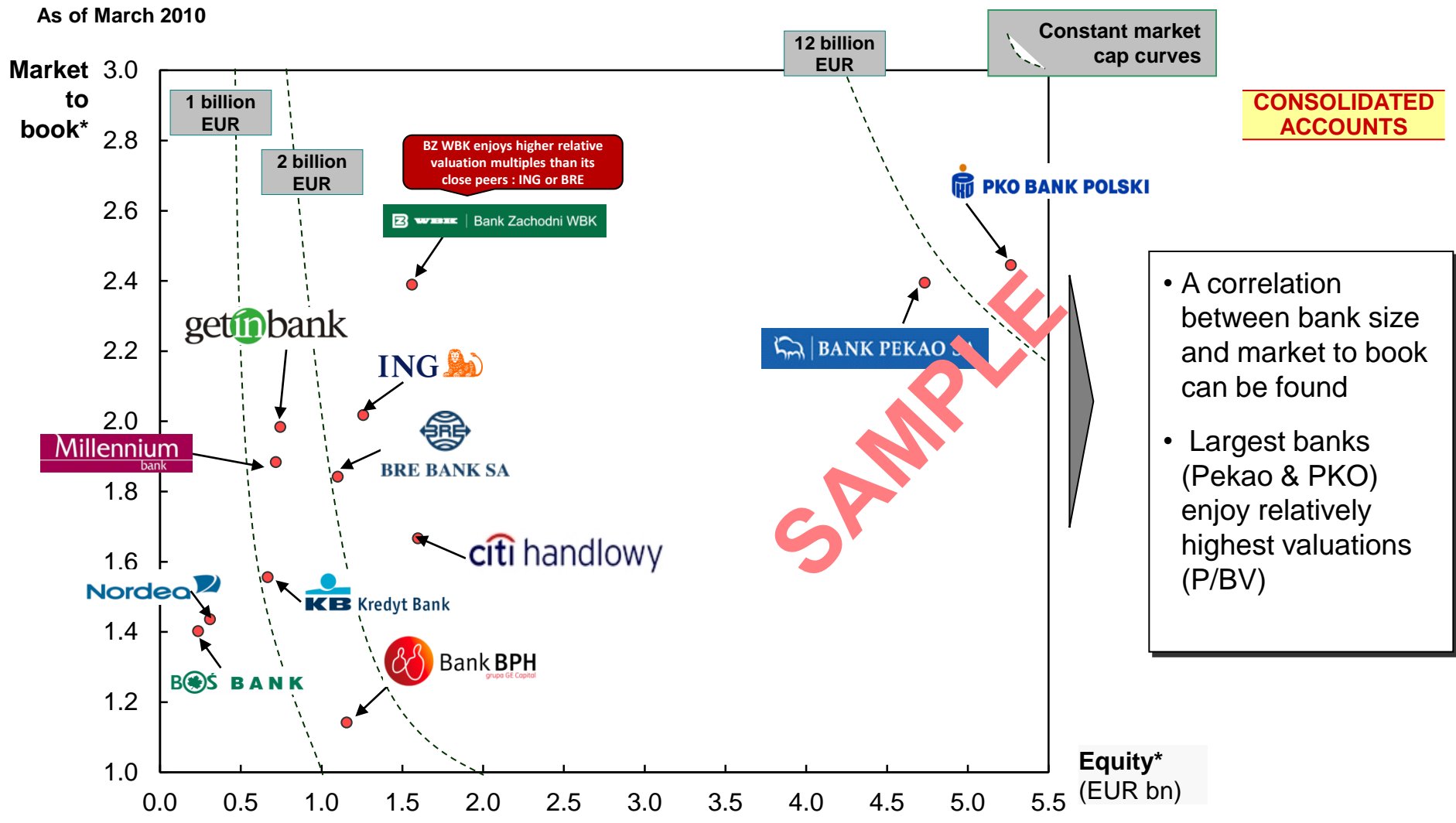


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STRATEGIC CONTROL MAP – MAJOR LISTED BANKS IN POLAND



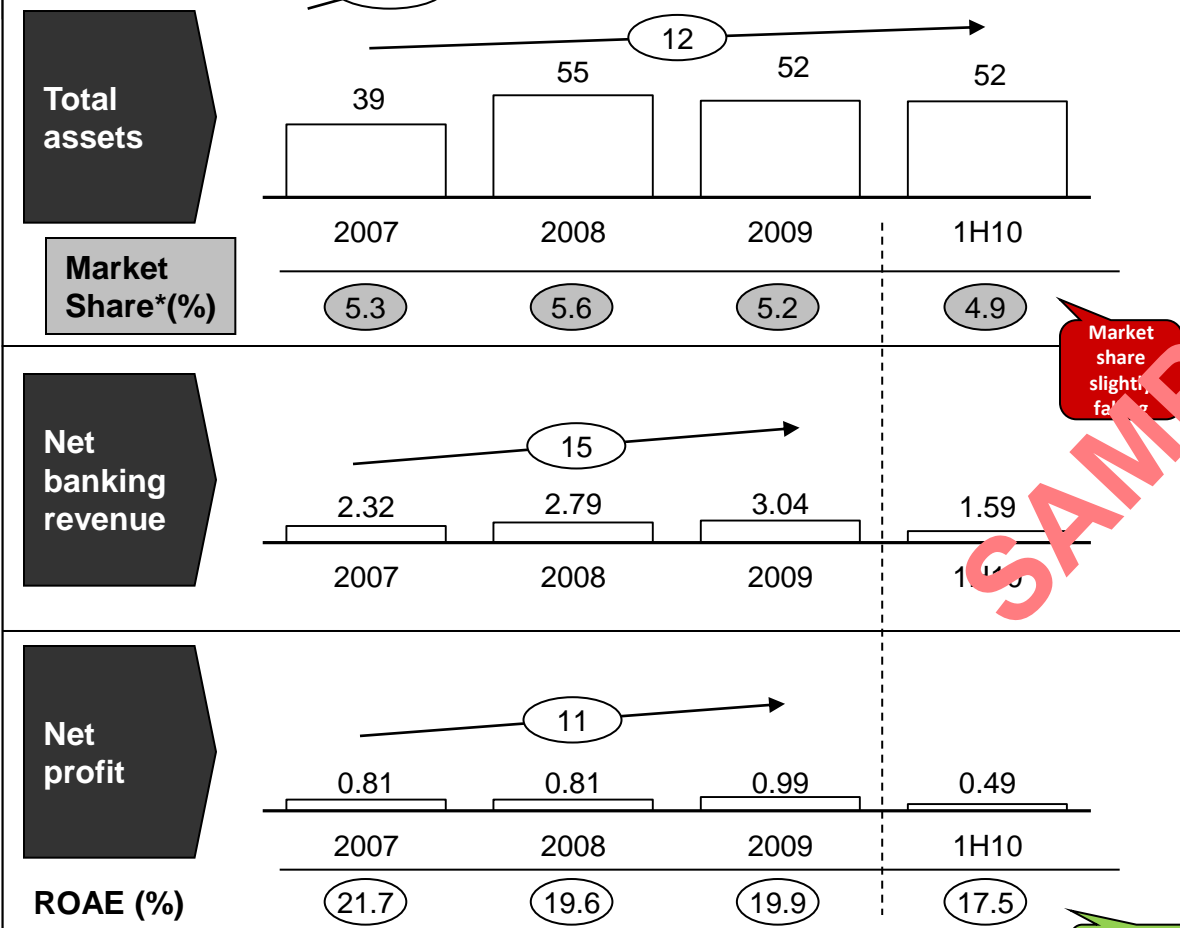
Banking Market in Poland 2010–2012, Update 1H 2010

* Based on consolidated results for 2009, ratios as of March 2010
 Source: banks, press, Intelce Research



Bank financials, unconsolidated figures

PLN billion, percent



Recent Initiatives/events

- In 2008, bank has launched new dedicated private banking offer with separated service network and dedicated IT systems (clients with assets 1m+ PLN).
- In order to speed up acquisition of new clients, bank introduced new product packages and applied aggressive pricing in 2009. Product innovations have been also combined with intensive marketing activities, including large TV campaigns.
- According to the revised strategy for 2009-2011, banks' aspiration is to make a better use of its extensive distribution network (third largest in the country), in order to achieve a 10% market share in terms of assets, to increase number of clients and bank's equity.
- In Autumn 2010, the majority shareholder of the bank, AIB Group, agreed to sell its stake to Santander Consumer bank.

* Share in term of assets

** Compound Annual Growth Rate

Source: Bank, NBP, Press, Intelace Research

NOTES ON METHODOLOGY (1/2)

FX rates:

- As a general rule all “end of year” balances like: assets, deposits, loans and similar volumes have been converted from the local currency into Euro using **end of year** exchange rate
- All results achieved during a period of time like: profits, revenues, new sales etc. have been converted from the local currency into Euro using **average** exchange rate
- Exchange rates used in the report:

EUR / PLN	2002	2003	2004	2005	2006	2007	2008	2009	1H 2010
End of year	4.02	4.72	4.08	3.86	3.73	3.58	4.17	4.11	4.15
Average	3.86	4.40	4.53	4.03	3.90	3.78	3.52	4.33	4.00

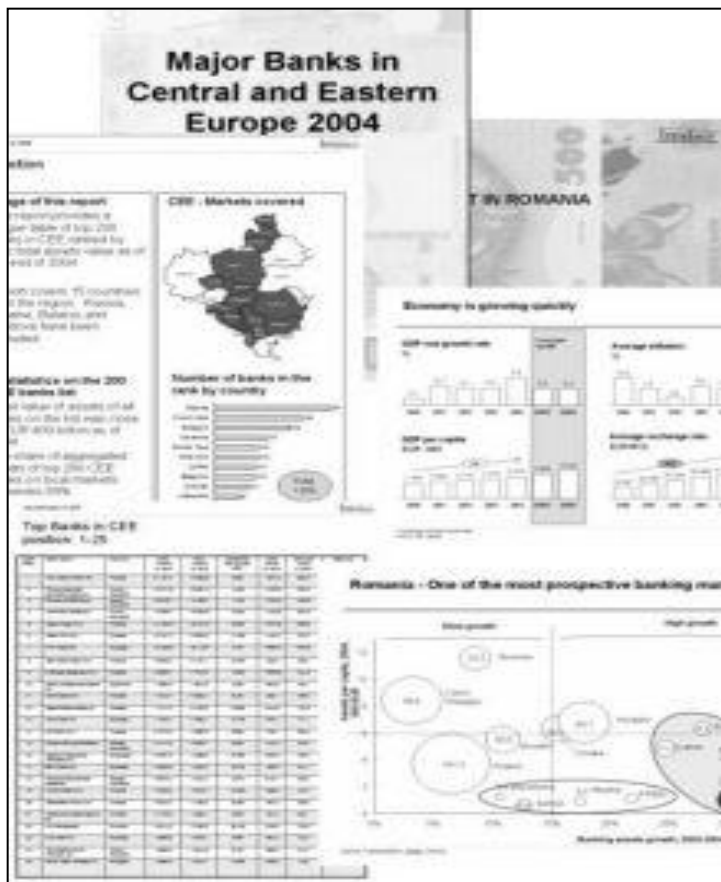
Estimates and Forecasts:

- In some cases, recent or verified data was not available. Therefore, necessary short-term estimations have been done to fill the gaps. Estimates are always indicated with the letter “E”
- When preparing forecasts “F” we have built models using latest observed trends, available forecasts of main economic indicators, seasonal changes observed in the past and other specific factors considered important.

Multiple sources:

- In some cases multiple sources of similar data exist. In this situation we always try to select the most appropriate one /in our view/. The source is indicated in the footer area of each slide. Nevertheless in specific cases, before interpreting the data it is recommended to get a good understanding on the methodology of data collection by contacting the authors.

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Banks & other institutions mentioned in this report

Narodowy Bank Polski , NBP
Allied Irish Banks
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