

BANKING MARKET IN POLAND 2011-2013, CEE BANKING SERIES

SAMPLE



**by Intelace Research
April 2011**

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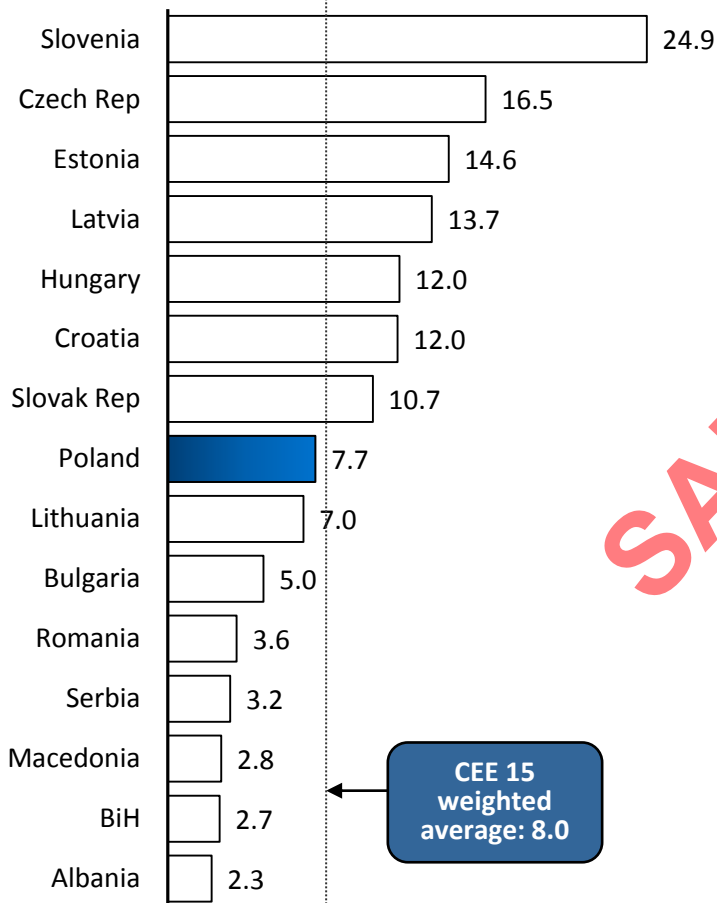
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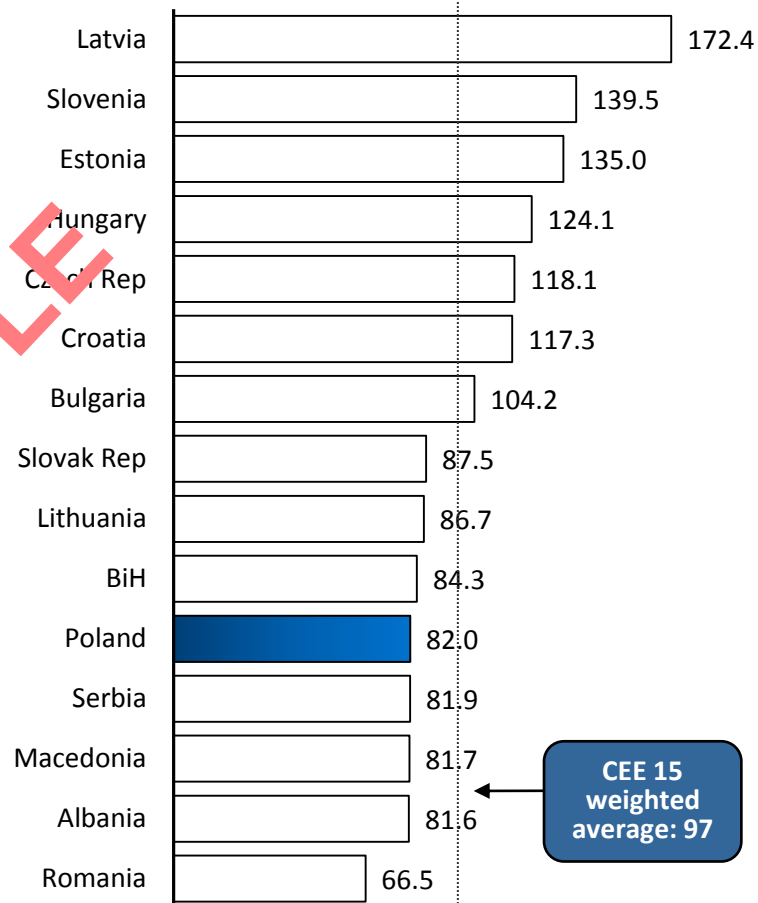
ASSET PENETRATION IN POLAND IS STILL LOW IF COMPARED TO OTHER CEE COUNTRIES

Banking assets/capita, 2010
EUR `000



Banking assets/GDP, 2010
percent

BASED ON PRELIMINARY
2010 DATA



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Banking Market in Poland 2010-2012

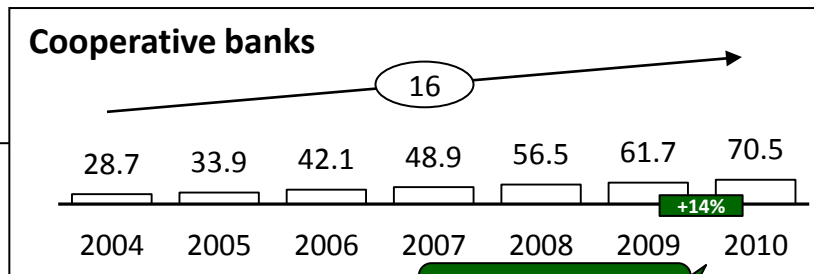
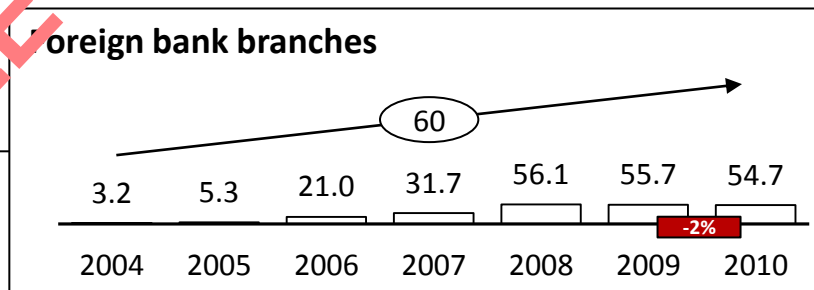
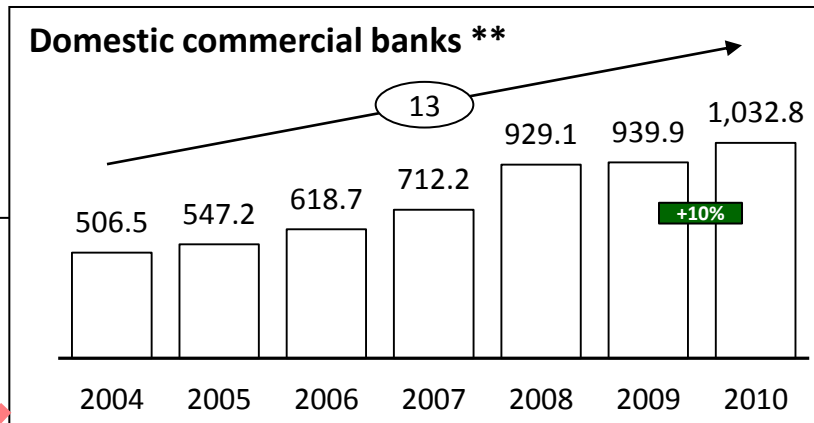
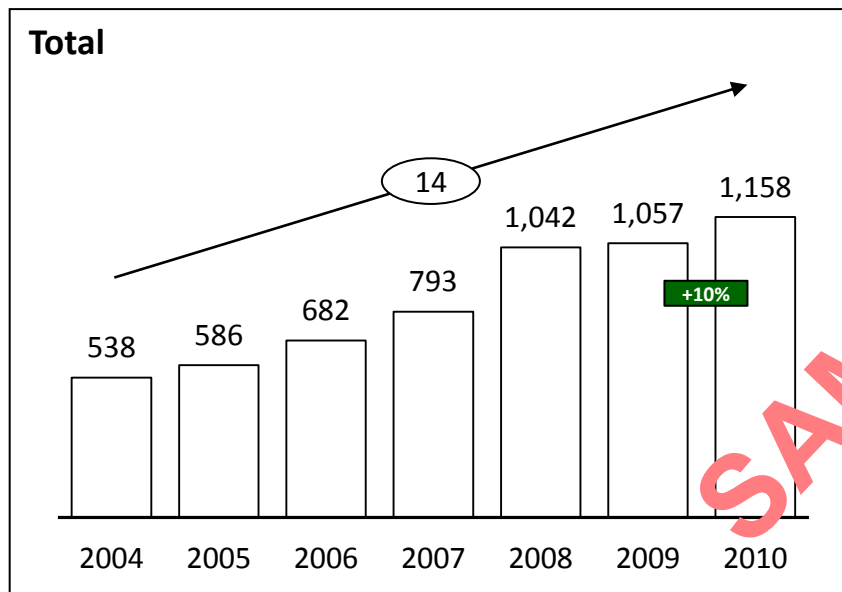
BANKING ASSETS INCREASED ALMOST 10% IN 2010. COOPERATIVE SECTOR CONTINUES TO GROW FAST

Yoy change

CAGR*

Banking assets by group of banks, 2004-2010
in PLN billion

IN PLN

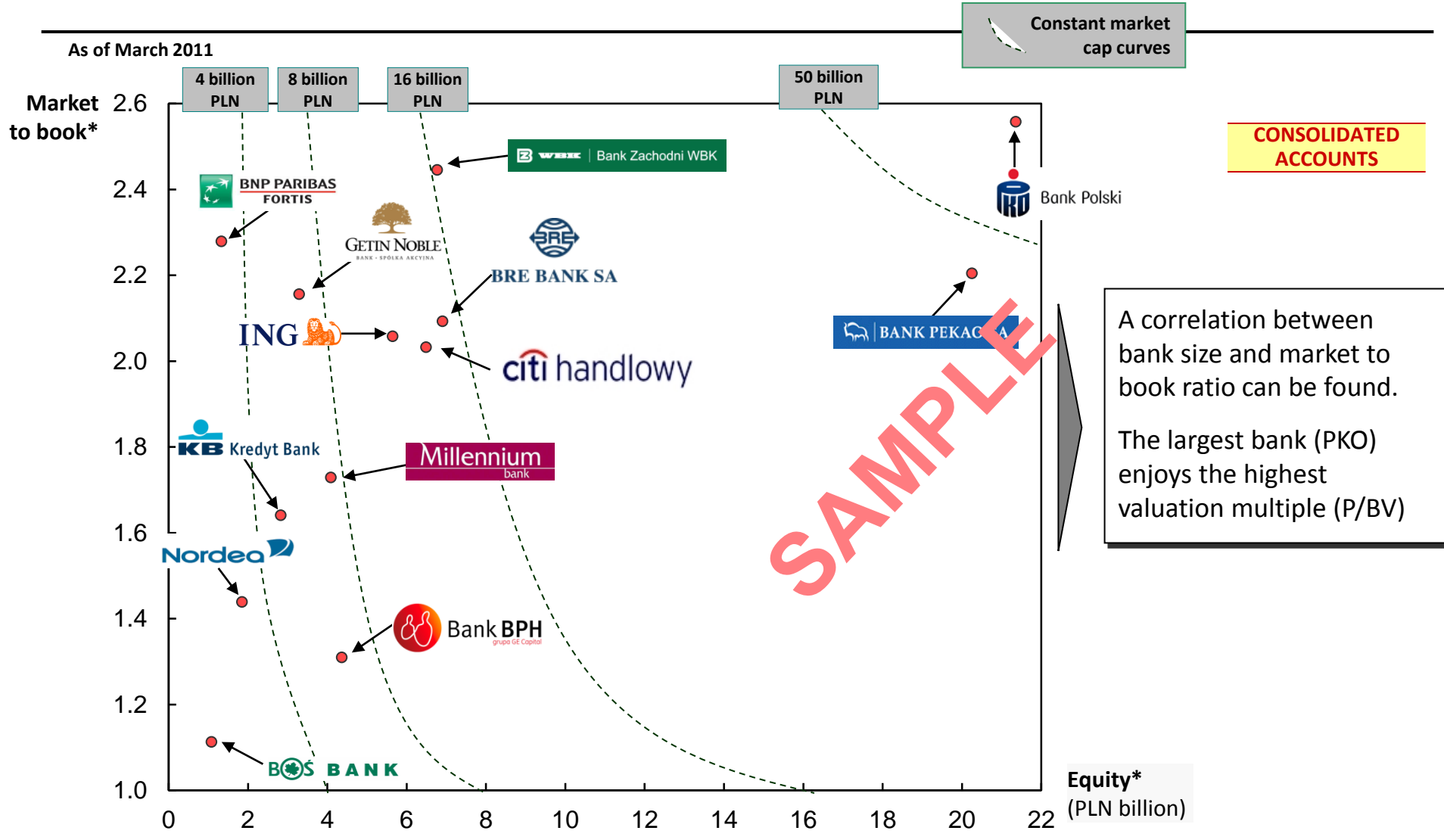


Cooperative sector is growing faster

Banking Market in Poland 2010-2012

* Compound Annual Growth Rate
** All banks registered in Poland
Source: NBP, Intelce Research

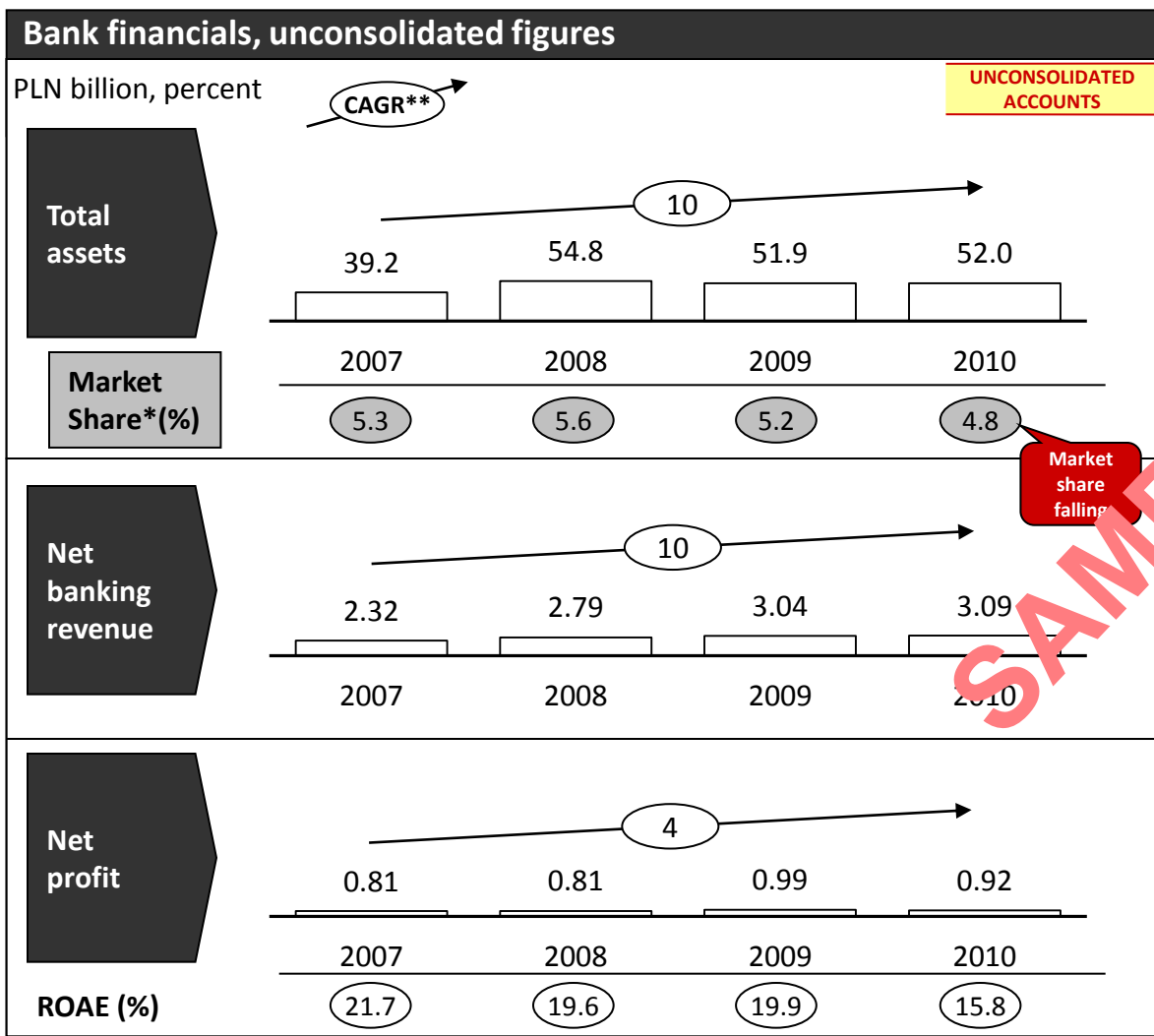
STRATEGIC CONTROL MAP – MAJOR LISTED BANKS IN POLAND



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Banking Market in Poland 2010-2012

* Based on consolidated results for 2010, ratios as of March 2011
Source: banks, press, Intelce Research



Recent facts/events

- During 2010, BZ WBK has experienced a drop in client loans (-2%) and a slight increase in client deposits (+2%). Total assets have risen by a fraction. As a result, bank has been losing market share (-0.4pp) during 2010
- In order to speed up acquisition of new clients, bank introduced new product packages and applied more aggressive pricing in 2009. Product innovations have been also combined with intensive marketing campaigns in 2010/2010
- According to the revised strategy for 2009-2011, banks' aspiration was 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. So far, the strategy does not seem to work as expected, and the reason might be the ownership changes absorbing attention of management and tying up other resources
- In Autumn 2010, the majority shareholder of the bank, AIB Group, agreed to sell its stake to Banco Santander

* 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	2004	2005	2006	2007	2008	2009	2010
End of year	4.08	3.86	3.83	3.58	4.17	4.11	3.96
Average	4.53	4.03	3.90	3.78	3.52	4.33	3.99

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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