

RECENT TRENDS IN THE POLISH BANKING SECTOR – JULY 2012



June 2011

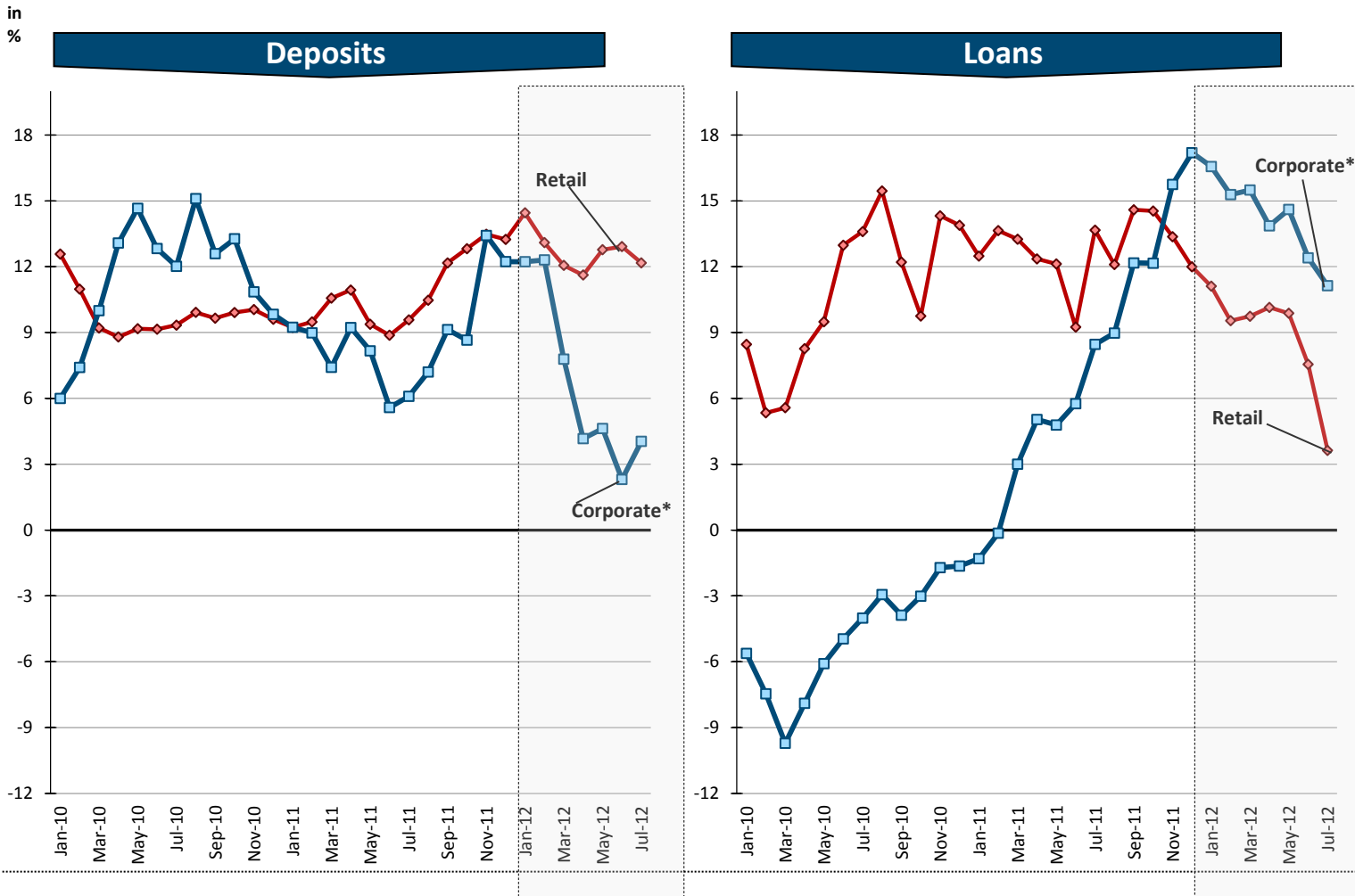
Loose slides

by **Inteliace Research**

THE GROWTH OF BANKING VOLUMES HAS DECELERATED SINCE EARLY 2012

BANKING VOLUMES

Annual growth rate in outstanding loans / attracted deposits
Jan.2011-Jul.2011



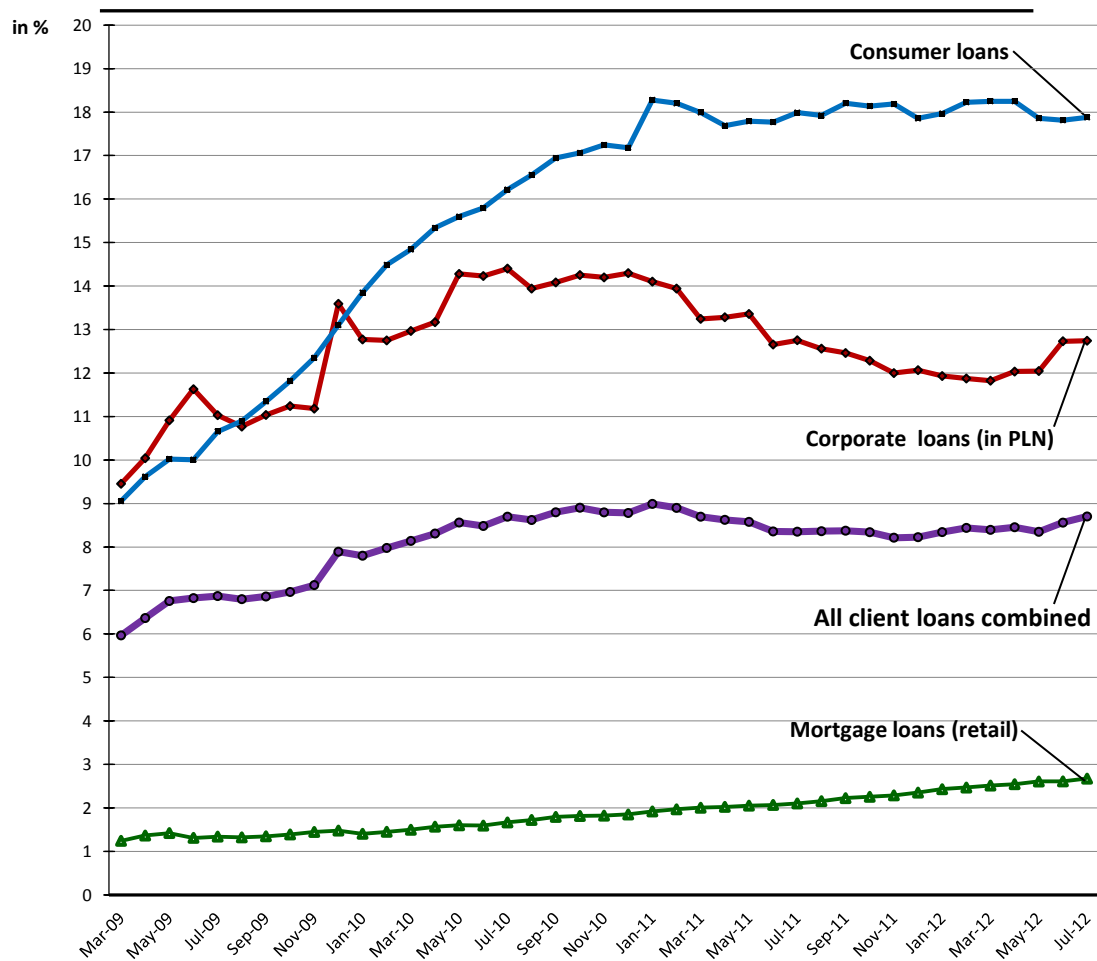
- Both retail and corporate volumes are slowing down since early 2012
- A significant deceleration in retail lending can be observed as tighter lending rules combined with stagnating household income prevent individuals from taking more bank loans
- Corporates keep investing, however, they are increasingly using the stockpiled deposits rather than taking new loans

*Corporate subjects only. Excluded: non-monetary financial institutions and public sector
Source: NBP, Inteliace Research

AFTER A TEMPORARY STABILIZATION IN 2011, THE LEVEL OF NON-PERFORMING LOANS IS INCREASING AGAIN

NON-PERFORMING BANK LOANS

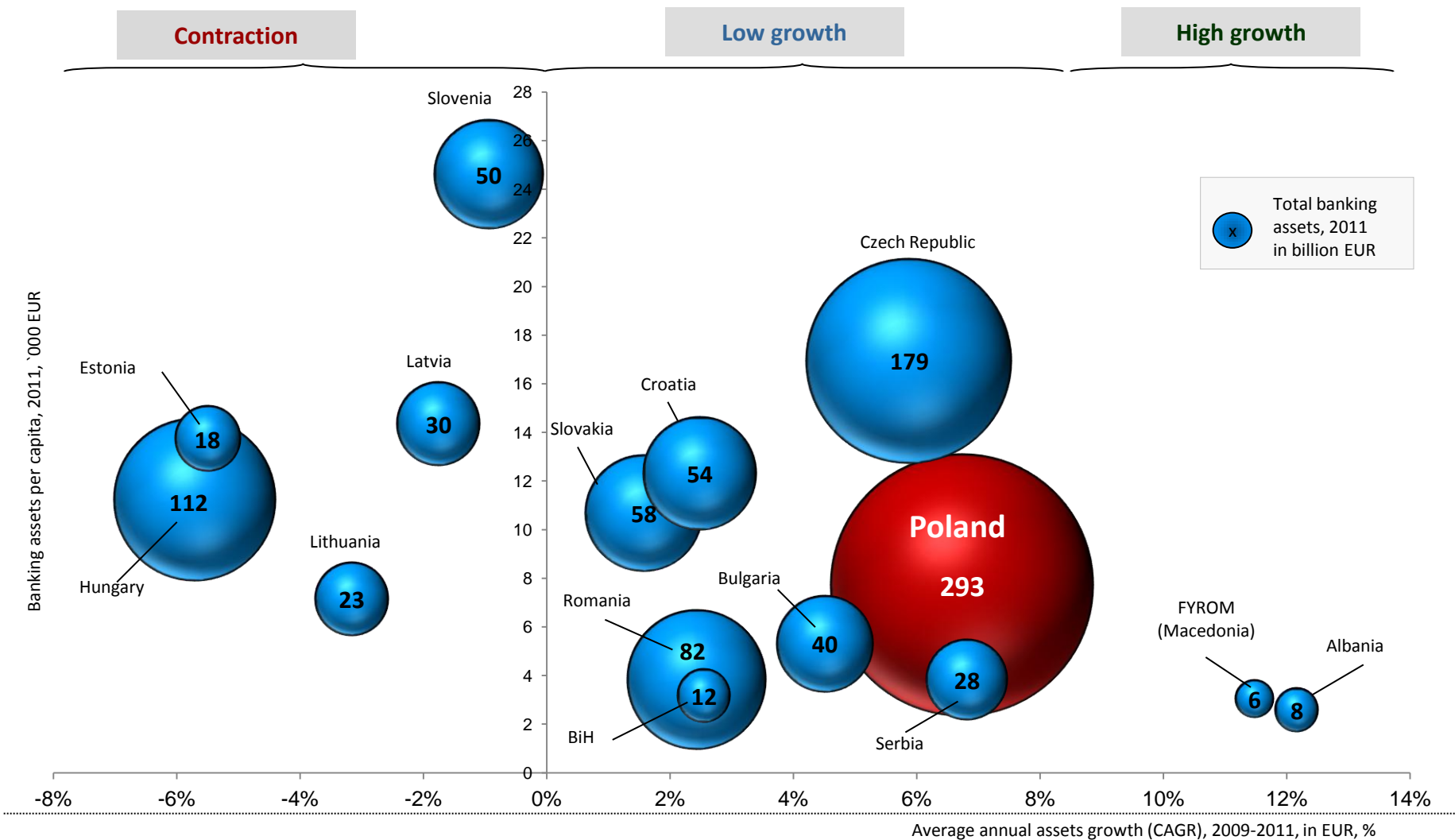
Ratio of non performing bank loans in the total lending portfolio, by segment/product, Mar.2009-Jul.2012



- The quality of lending portfolios stabilized in 2011, but since then, the level of NPLs has been increasing again.
- Mortgage loan NPLs are still relatively low but they are growing steadily.
- Falling residential real estate prices and stagnating real household income are likely to negatively affect the quality of mortgage loans in the future.

POLAND HAS THE LARGEST BANKING MARKET IN THE CEE15* GROUP

CEE-15* banking markets - Size vs. growth matrix, 2009-2011



BANKING SECTOR IN POLAND 07 2012

* Major 15 CEE countries. Russia, Ukraine and Belarus not included
 Source: Central banks, IMF, Inteliace Research

About this report

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Inteliace Research is an independent and privately owned research firm based in the heart of Eastern Europe in Warsaw / Poland.

Our company specializes in value-added research services and tailored business intelligence solutions.

Through our customized research services we help our clients to better understand their customers, competitors and overall market dynamics.

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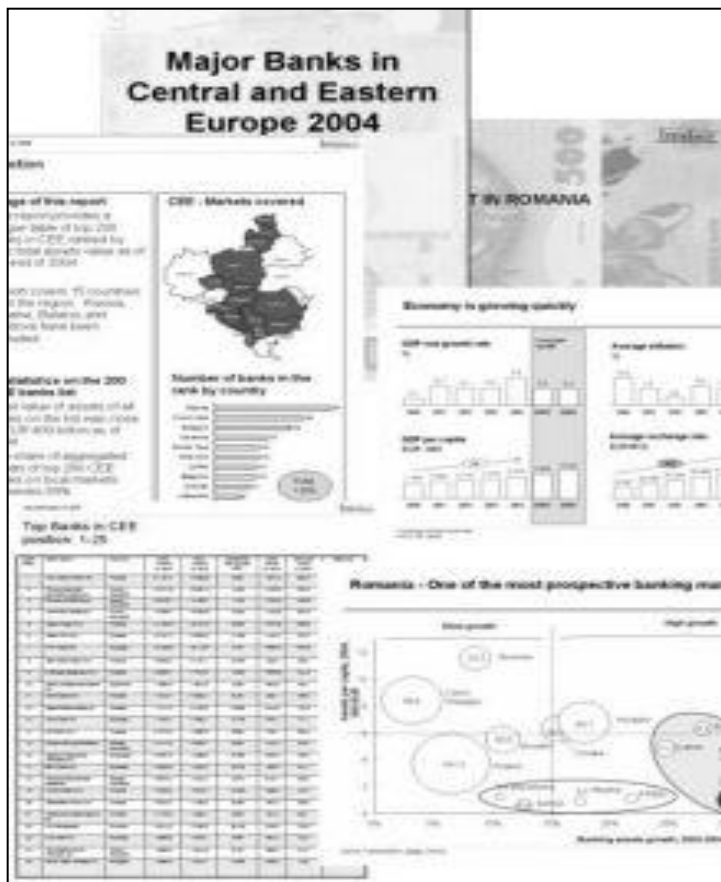
Documents:

2011

- February - Mortgage Lending in Poland '11
- April - Bank outlets database '11
- April - Banking Market in Poland '11
- June - Insurance Market in Poland '11
- July - Investment Funds and Asset Mgmt. '11
- September - Top 200 CEE banks '11
- October - Banking Market in Poland – Update 1H11

2012

- February - Mortgage Lending in Poland '12
- April - Banking Market in Poland '12
- May - Bank outlets database '12
- June - Insurance Market in Poland '12
and many other ...



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