

# RECENT TRENDS IN THE POLISH BANKING SECTOR & KREDYT BANK

Loose slides



June 2010

Intelace Research

# AGENDA

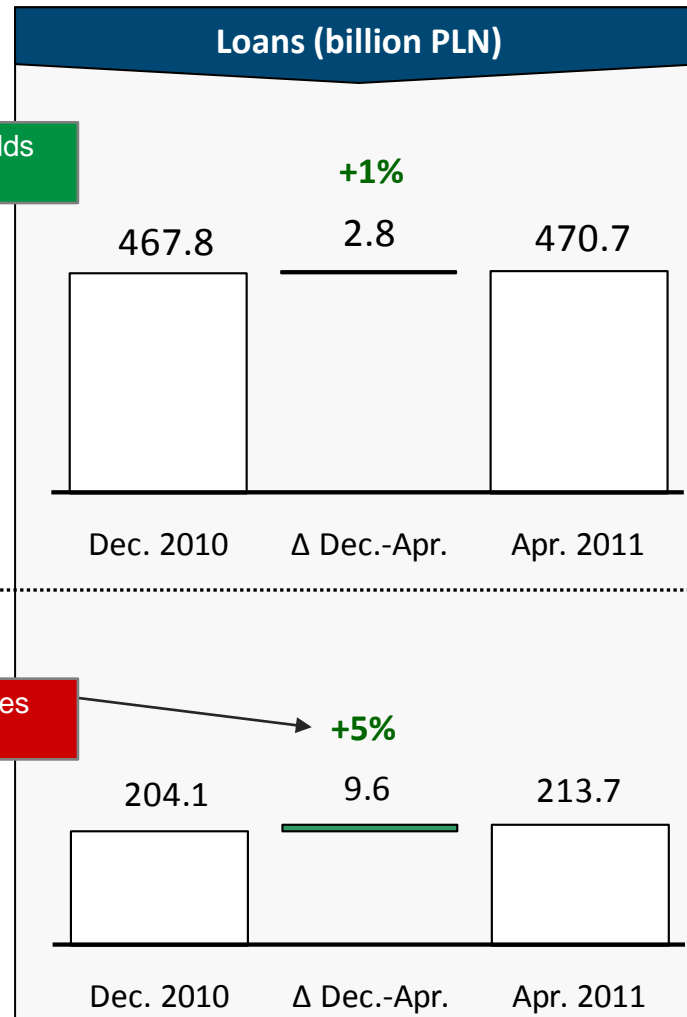
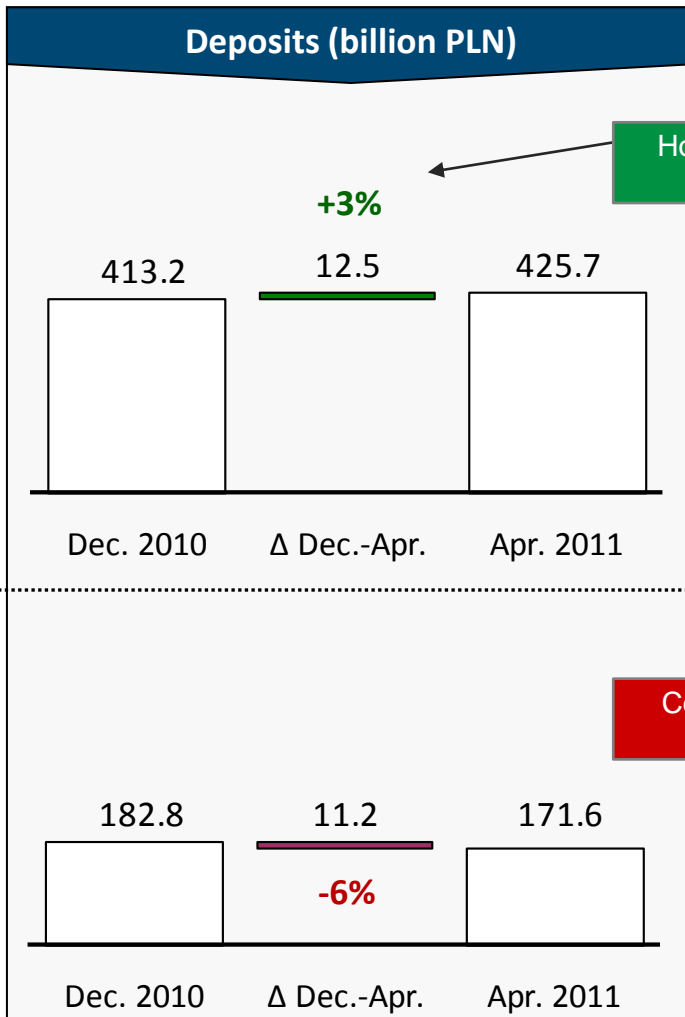
- **Banking sector**
- **Kredyt Bank**

# IN THE FIRST 4 MONTHS OF 2011, BANKING VOLUMES INCREASED MOSTLY IN THE RETAIL SEGMENT

## Loans and deposits by business segment, Dec.2010-Apr.2011

In billion PLN

**Retail clients (Households)**

**Corporate clients\***



\*Corporate subjects only. Excluded: non-monetary financial institutions and public sector

Source: NBP, Intelcace Research

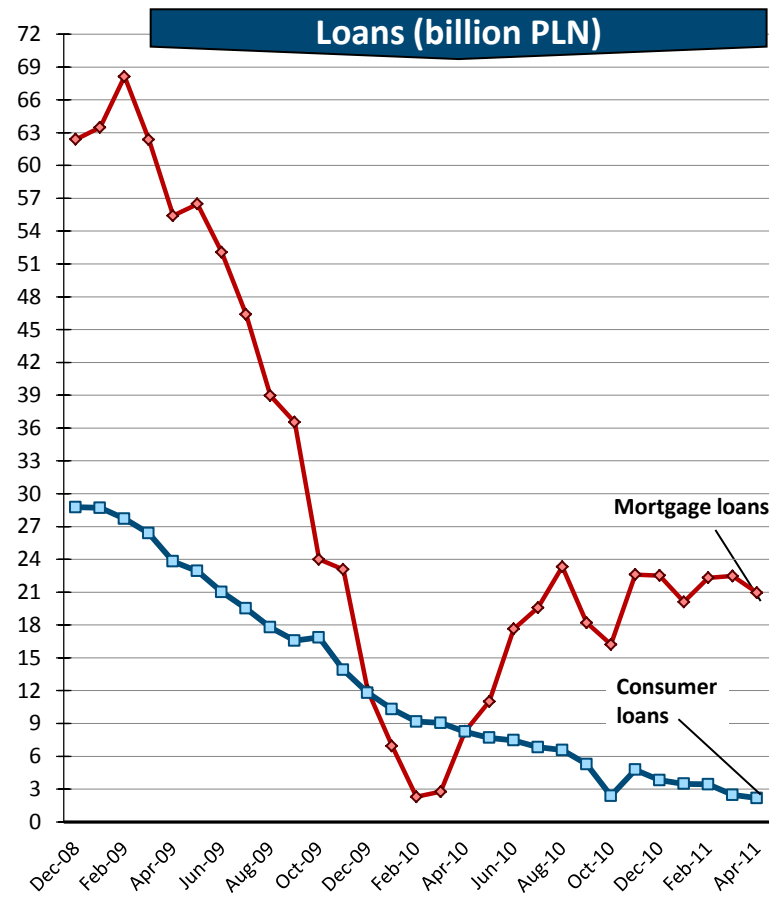
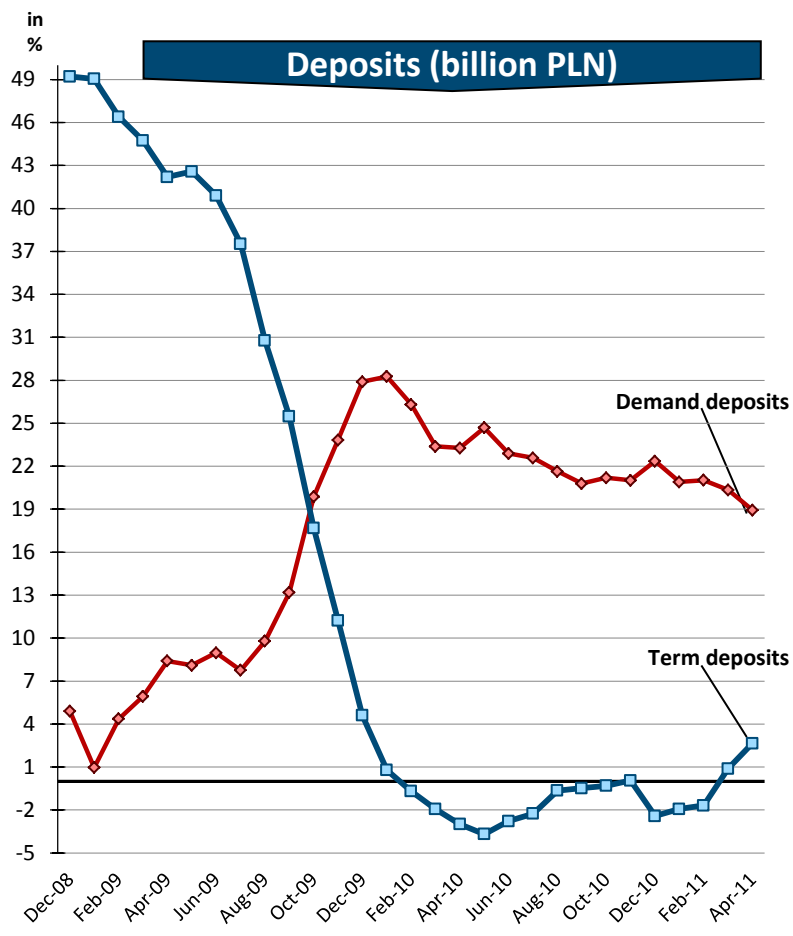
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# GROWTH OF RETAIL VOLUMES IS DECELERATING



## HOUSEHOLDS

Annual growth rate in outstanding loans / attracted deposits  
Dec.2008-Apr.2011



- The rate of growth of retail deposits is stable. Most of new inflows go to demand / saving accounts
- Growth of retail loans is decelerating. In particular, annual change of outstanding consumer loans is approaching zero.

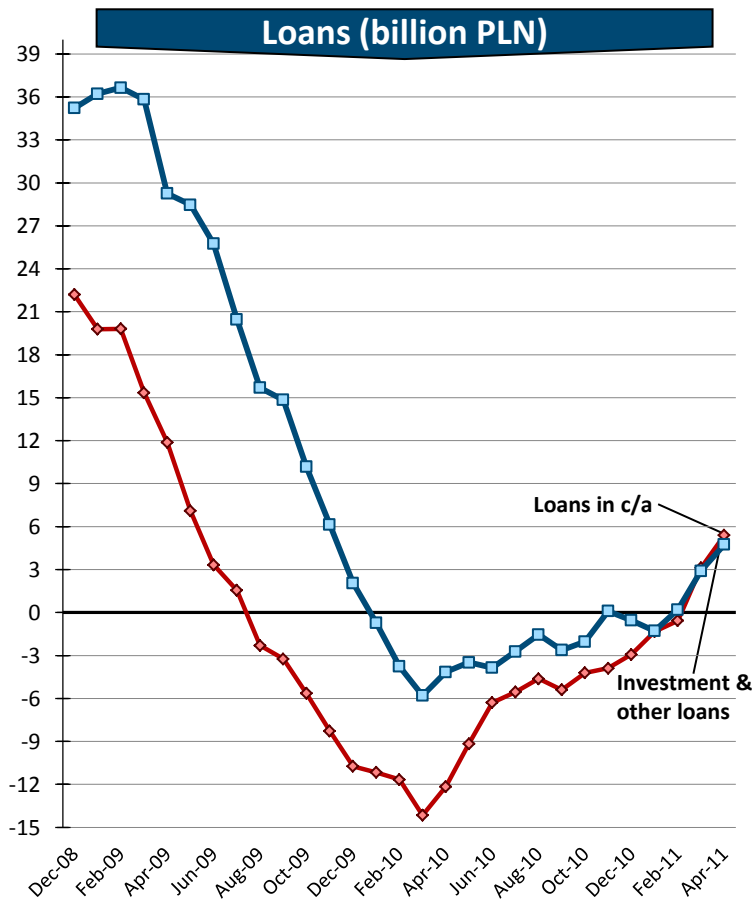
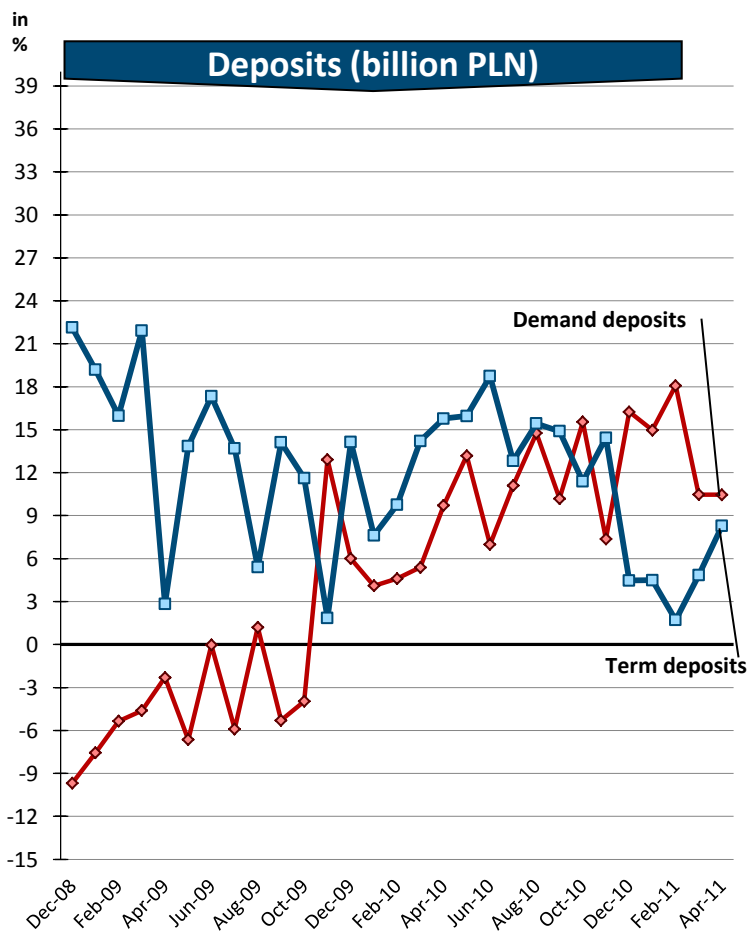
BANKING SECTOR & KNIGHT BANK

# BUT CORPORATE VOLUMES ARE GROWING AGAIN



CORPORATE

Annual growth rate in outstanding loans / attracted deposits  
Dec.2008-Apr.2011



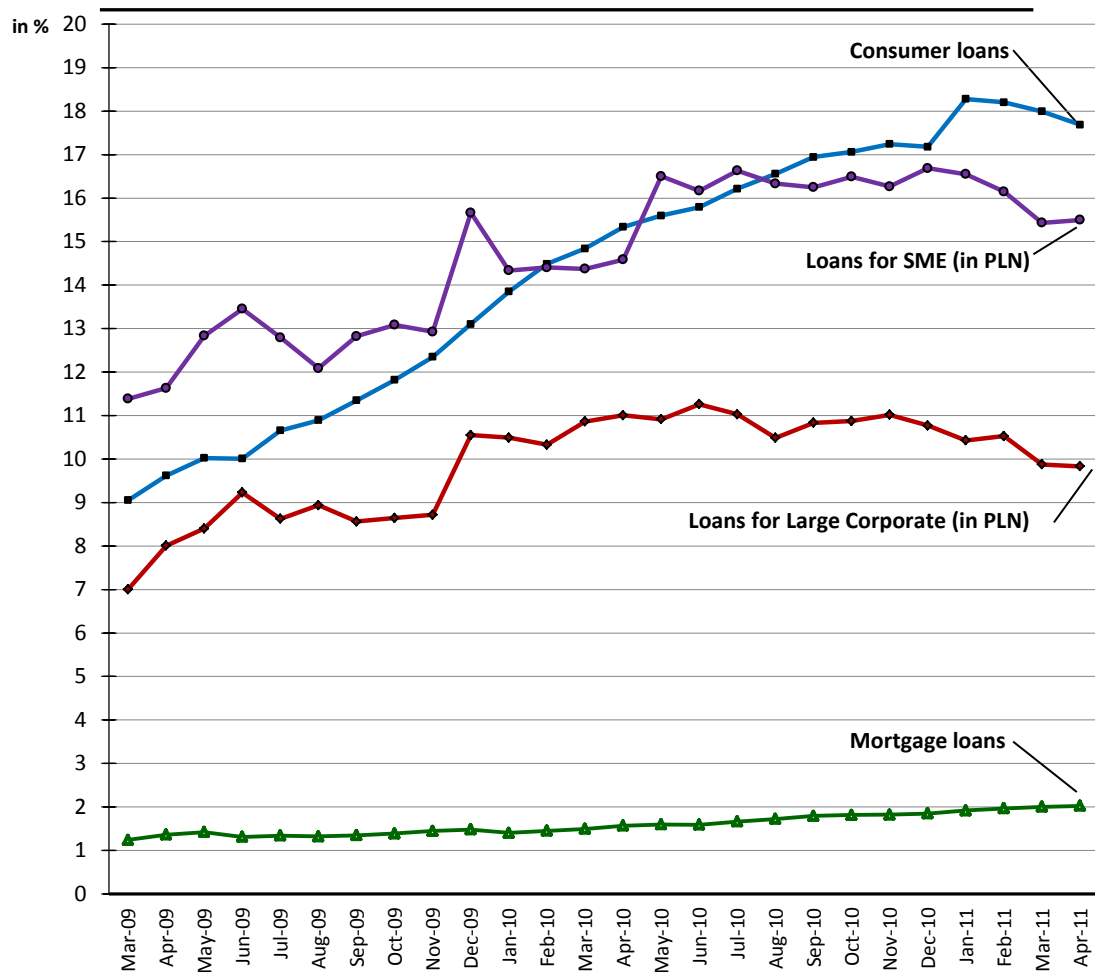
- Corporate lending is growing again. The 2009/2010 downturn seems to be over
- The growth of corporate deposits remains positive despite increasing investments

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

# THE NON-PERFORMING LOANS RATIOS HAVE STABILIZED FOR MOST OF CLIENT / PRODUCT SEGMENTS. THE QUALITY OF MORTGAGE LOANS MAY STILL BE FALLING

Ratio of non performing receivables in the total lending portfolio, by segment/product, Mar.2009-Mar.2011



- The overall quality of lending portfolios of banks has stabilized
- Increasing nominal interest rates are likely to affect quality of outstanding loans in the future. As a result, the quality of mortgage loan portfolios may deteriorate further

# AGENDA

- **Banking sector**

- **Kredyt Bank**

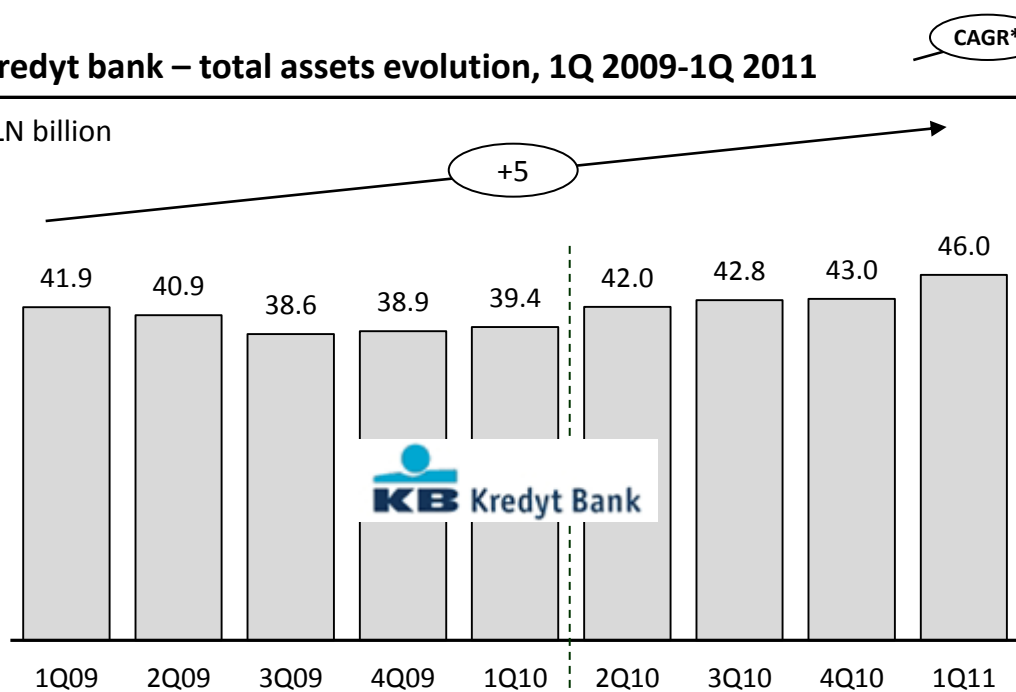
# SINCE 2Q 2010, KREDYT BANK HAS BEEN GROWING FASTER THAN THE BANKING MARKET



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**Kredyt bank – total assets evolution, 1Q 2009-1Q 2011**

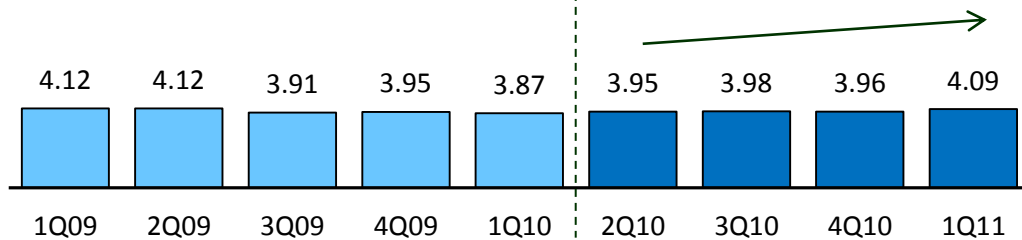
PLN billion



- Kredyt Bank has been able to grow faster since early 2010
- In Q1 2011, the market share of Kredyt Bank has exceeded 4% again.

**Market share evolution, 1Q2009-1Q2011**

Percent (of commercial banks and foreign bank branches assets)

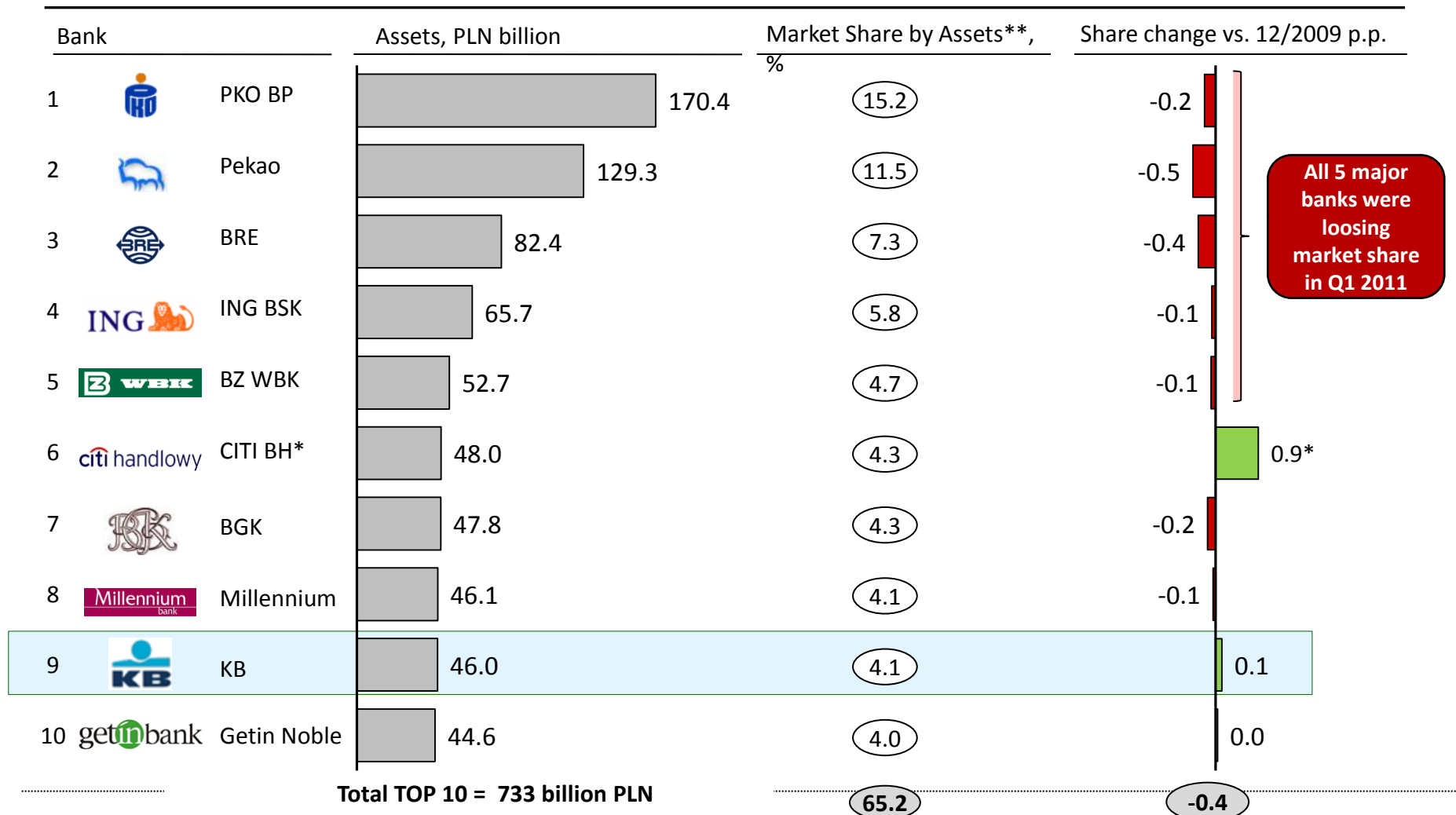




# AS OF 1Q 2011, KREDYT BANK RANKED NINTH IN TERMS OF TOTAL ASSETS.

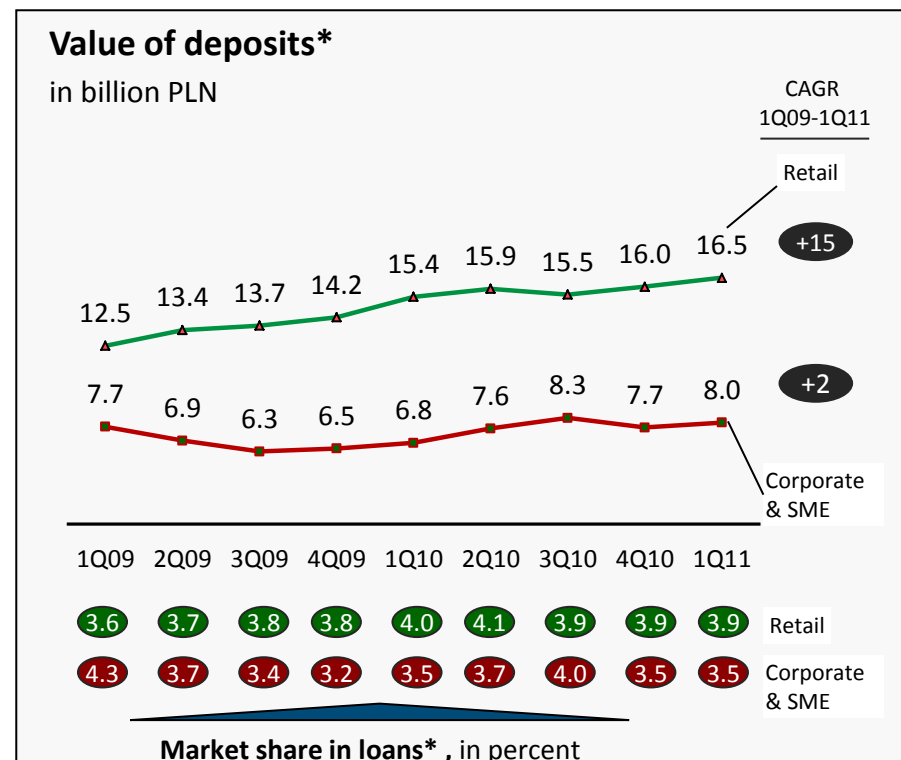
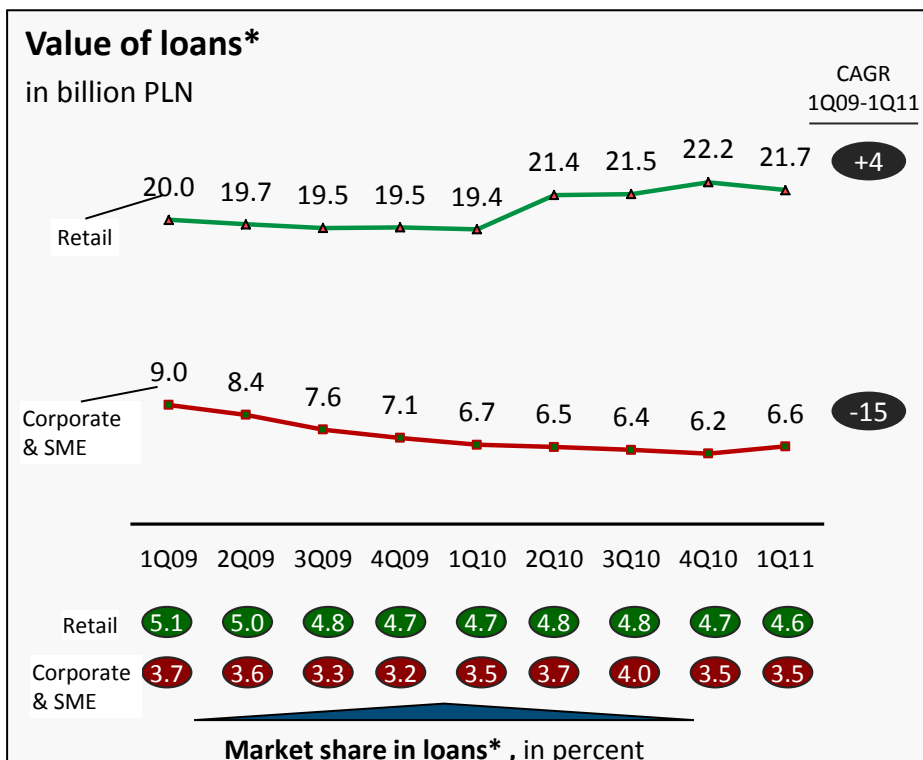
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Top 10 commercial banks in Poland by total assets, as of 1Q 2011



\* Citibank acquired large deposit in 3/2011, so its assets jumped by over in Q1 2011 vs. Q4 2010  
 \*\*Market share among commercial banks and foreign bank branches (cooperative banks excluded)  
 Source: KNF, banks, press, Intelace Research

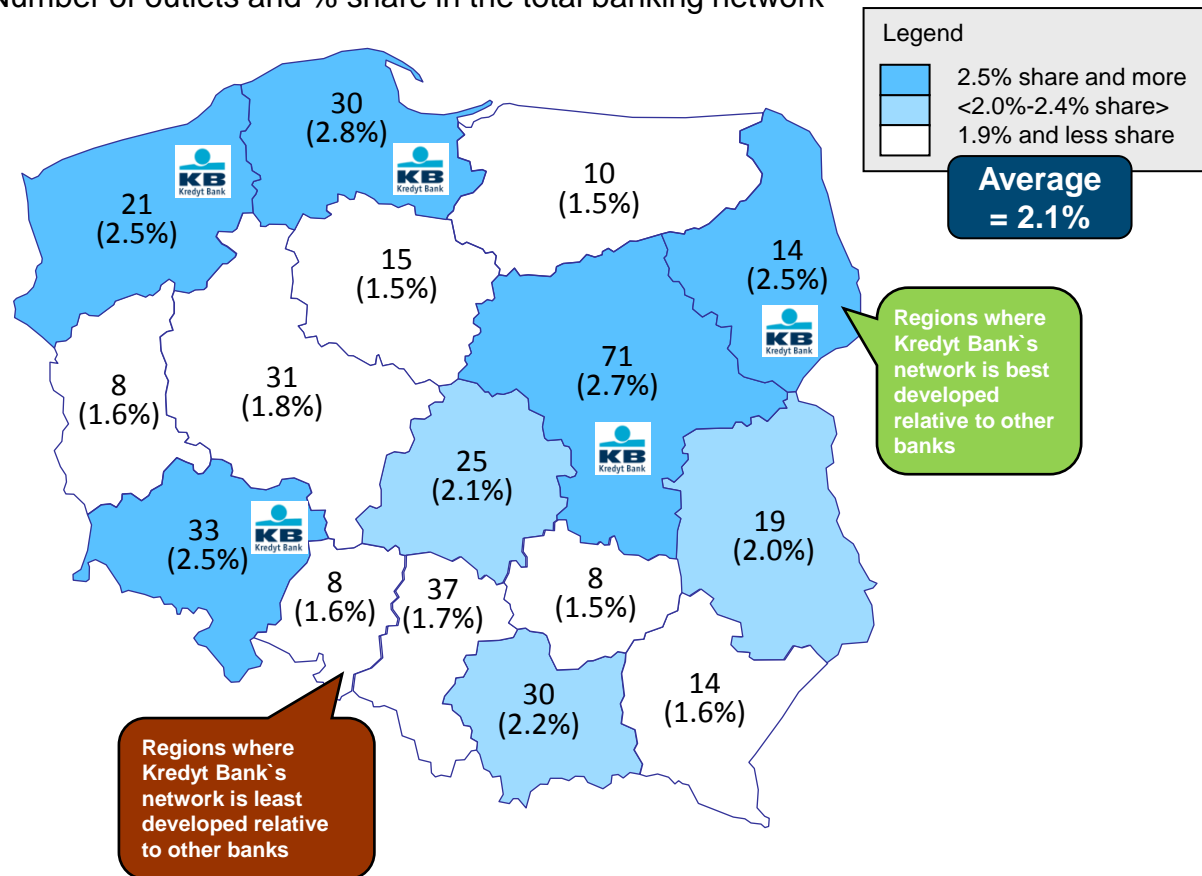
# MOST OF KREDYT BANK'S VOLUMES COME FROM THE RETAIL SEGMENT



- Client loans exceed client deposits, so the difference has to be financed on the interbank market and by the major shareholder
- Kredyt bank's market share has been falling recently with exception of retail deposits

# IN SELECTED REGIONS, THE BRANCH NETWORK OF KREDYT BANK SEEMS TO BE UNDERDEVELOPED

Kredyt Bank - branch network by region and its share in the overall banking network, 2011  
 Number of outlets and % share in the total banking network\*



- Kredyt Bank's branch network covers the whole country and bank is controlling 2.1 % banking outlets in Poland
- In a range of regions, the network of Kredyt Bank is underdeveloped
- In particular , the number of outlets in Wielkopolskie and Slaskie is low if compared to competitors and considering regional attractiveness.

BANKING SECTOR & Kredyt Bank

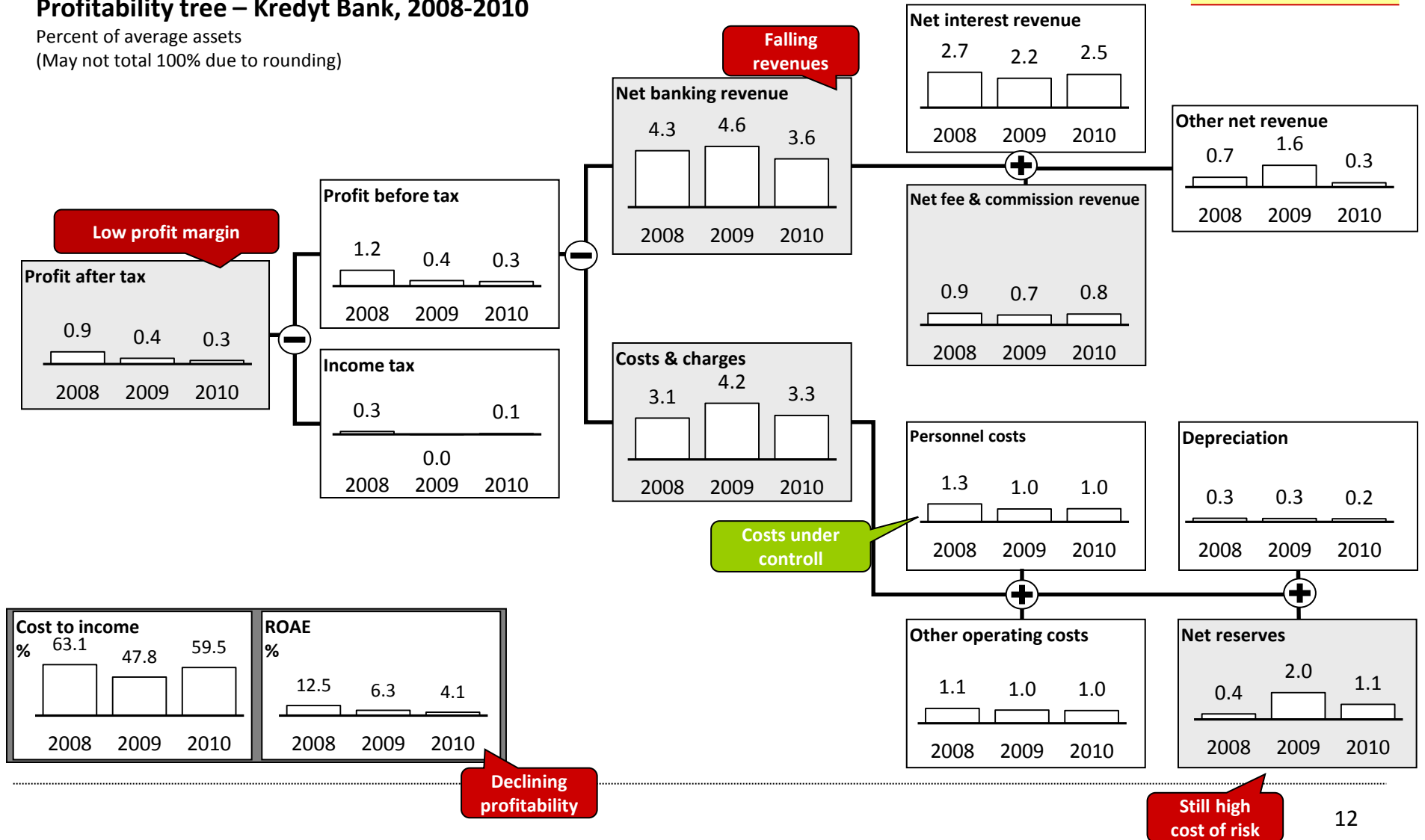
\* Banking network including commercial banks, foreign bank branches, cooperative banks and SKOK credit unions  
 Source: Kredyt Bank, Intelace Research

# PROFITABILITY OF KREDYT BANK IS FALLING

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## Profitability tree – Kredyt Bank, 2008-2010

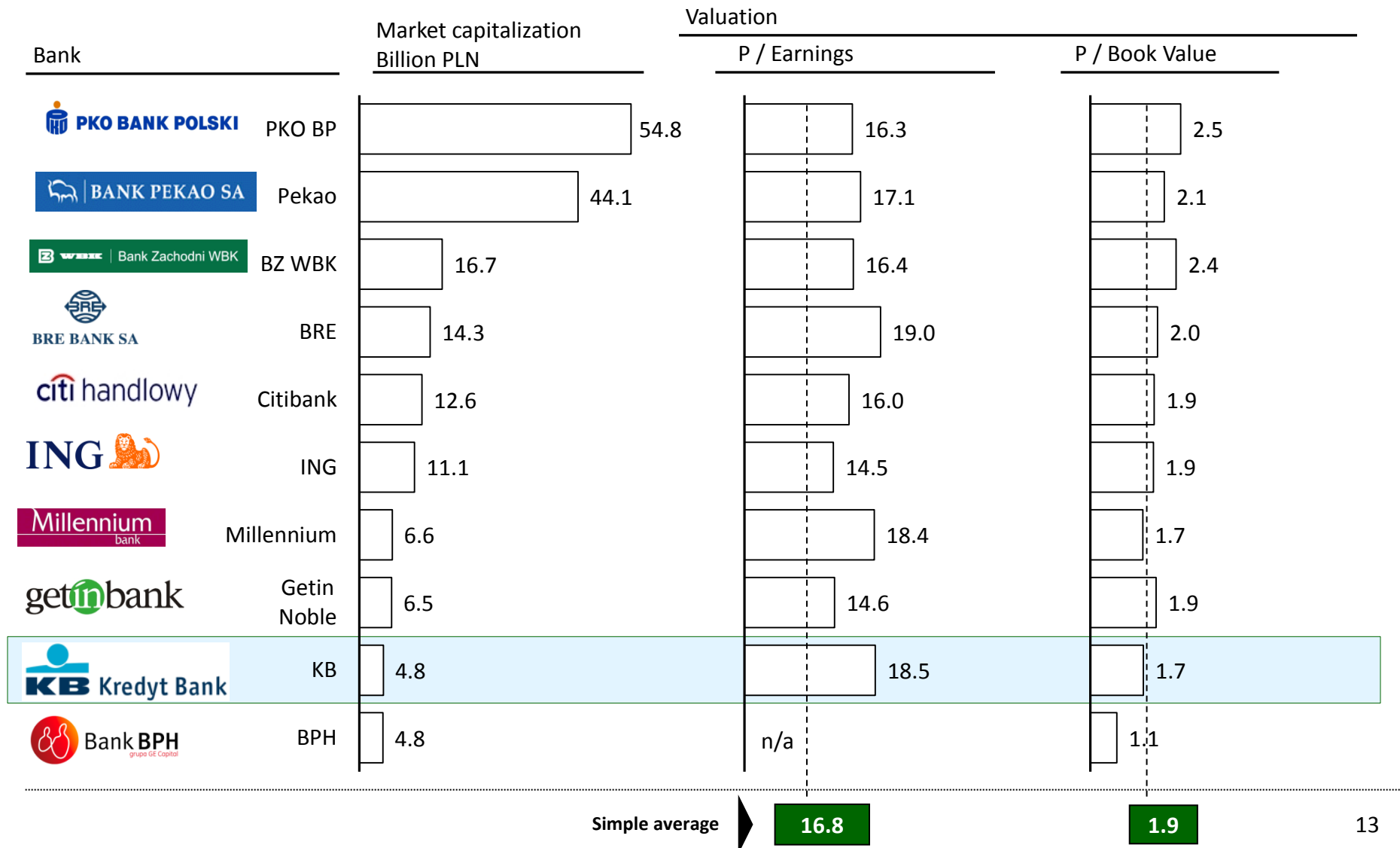
Percent of average assets  
(May not total 100% due to rounding)



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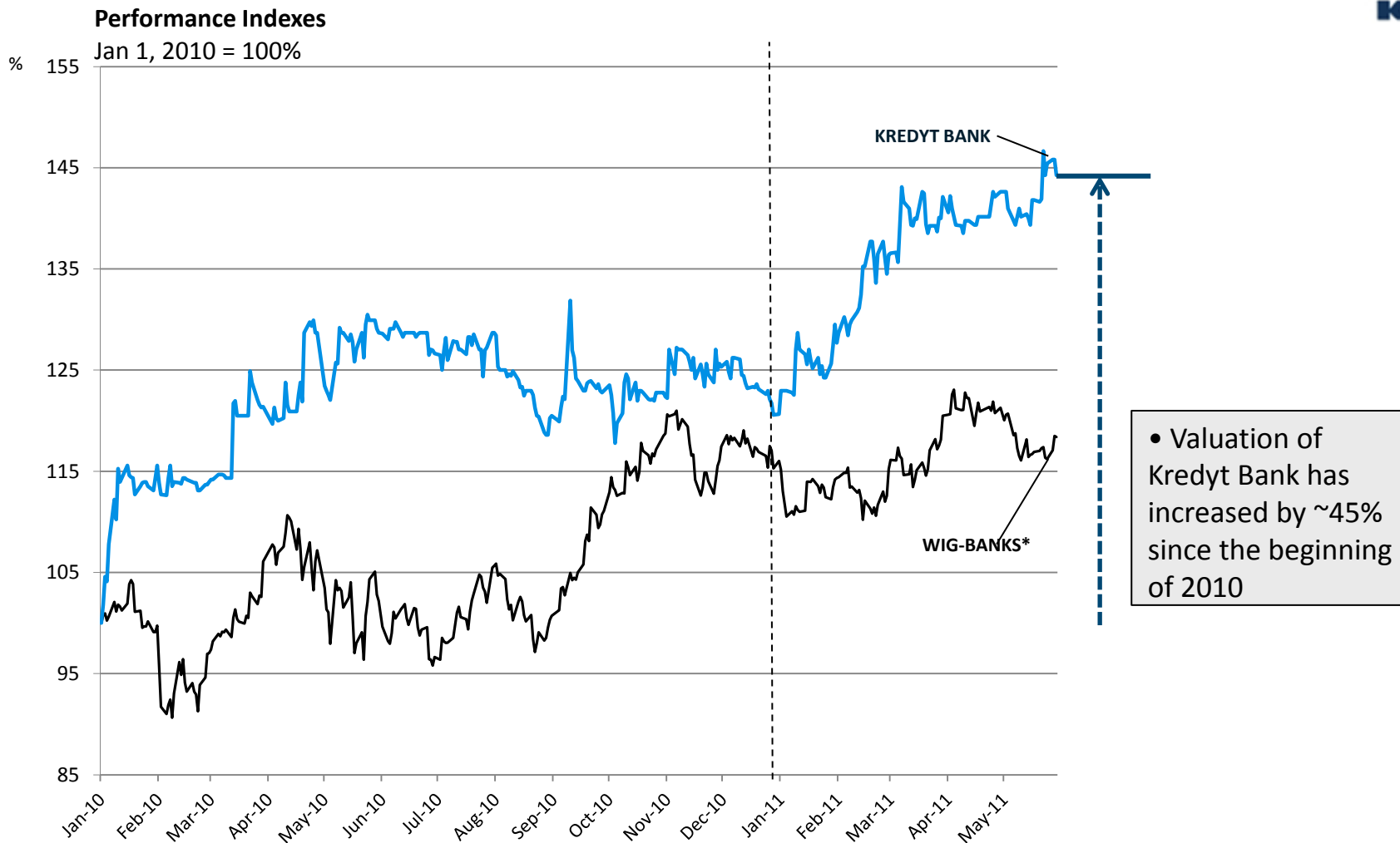
# KREDYT BANK IS THE NINTH MOST VALUABLE BANK ON THE WARSAW STOCK EXCHANGE

Top 10 listed domestic banks by market capitalization, as of June 3, 2011



BANKING SECTOR & KREDYT BANK

# SINCE EARLY 2011, KREDYT BANK HAS PERFORMED BETTER THAN THE BANKING INDEX ON THE WARSAW STOCK EXCHANGE



BANKING SECTOR & Kredyt Bank

\* Performance Index for banks listed on the Warsaw Stock Exchange  
Source: WSE, www.stooq.pl, Intelace Research

## About this report

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## About Intelace Research

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Intelace 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.

The lead researcher and founder of Intelace Research is Marcin Mazurek.

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# O INTELACE RESEARCH

## Intelace Research



### O firmie:

Intelace Research jest niezależną, prywatną firmą doradczą i działa w Polsce od 2005r.

### Czym się zajmujemy:

Oferujemy wyspecjalizowane badania rynku i doradztwo strategiczne w sektorze finansowym w Polsce oraz w Europie Centralnej i Wschodniej (CEE)

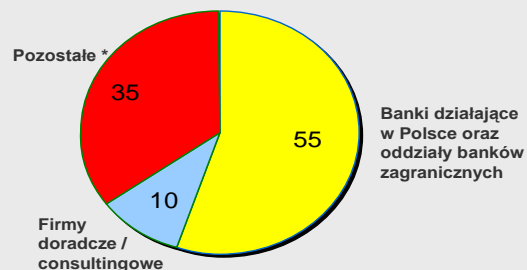
### Nasi kluczowi klienci:

- Banki zagraniczne w Polsce i CEE
- Lokalne banki w Polsce i CEE
- Firmy ubezpieczeniowe
- Organizacje płatnicze/wystawcy kart
- Firmy doradcze

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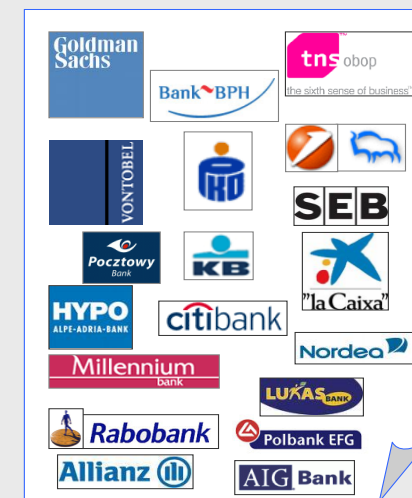
Przychody firmy wg. grup klientów, 2008  
w procentach



Banki działające w Polsce oraz oddziały banków zagranicznych

\* W tym firmy ubezpieczeniowe, asset management oraz inne usługi finansowe

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