

MORTGAGE LENDING IN POLAND, 2014-2016



by Inteliace Research
March 2014

SAMPLE

TABLE OF CONTENTS

Executive summary

1. Residential real estate stock & prices

Slide 1: New dwellings completed , starts, permits, 2006-2013

Slide 2: New dwellings completed by regions, 1-3Q 2013

Slide 3: Residential real estate prices in key cities, 2006-3Q2013

Slide 4: Housing stock in Poland, dwellings, rooms, occupied space, census data 2002/2011

2. Mortgage lending

Slide 5: Total lending to households by client segments (individuals, entrepreneurs, farmers), GDP-penetration, 2007-2013

Slide 6: Total lending to households by type of loan, 2007-2013

Slide 7: Mortgage loans to households, local vs. foreign currency, 2007-2013

Slide 8: Number of new mortgage loans, average loan size, value of new loans, 2007-2013

Slide 9: Mortgage lending penetration benchmarks - International comparison, 1H2013

Slide 10: New mortgage loans by size and LTV, 3Q2008-3Q2013

Slide 11: New mortgage loans by currency, 3Q2008-3Q2013

Slide 12: Top players (market share>5%) on the mortgage loans market, 3Q2013

Slide 13: The role of financial intermediaries in mortgage loans distribution, 2009-2012

Slide 14: Reference rates: WIBOR3M & LIBOR CHF 6M, 2009-2013

Slide 15: Average lending margins evolution – PLN loans, 2010-2013

Slide 16: Average lending margins evolution – FX (EUR) loans, 2010-2013

3. Regulatory issues, risk

Slide 17: The evolution of mortgage loan NPLs, Mar.2009-Sept.2013

Slide 18: Regulatory environment with regards to mortgage loans

Slide 19: CHF/PLN exchange rate, C/A balance, 2000-2013

4. Forecast

Slide 20: Mortgage loans – outstanding value forecast and GDP penetration, 2014-2016

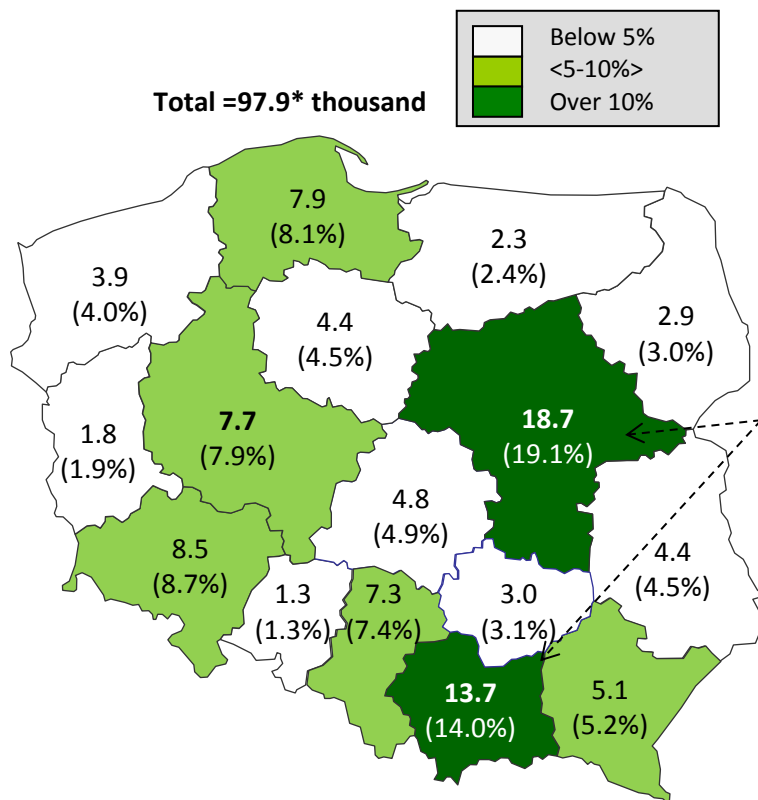
Methodological notes

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NEWLY STARTED DWELLINGS ARE HIGHLY CONCENTRATED AROUND MOST PROSPEROUS CITIES/REGIONS

Dwellings started by region, 1-3Q, 2013

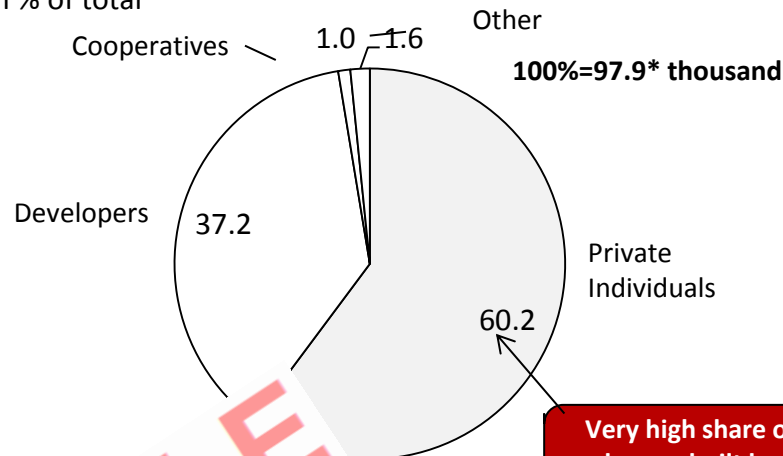
In thousand, (% of total)



Warsaw and Kraków are leading in terms of new starts

Dwellings started by type of investor, 1-3Q 2013

in % of total



Very high share of homes built by individuals

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Size of new dwellings completed, 2009-2013

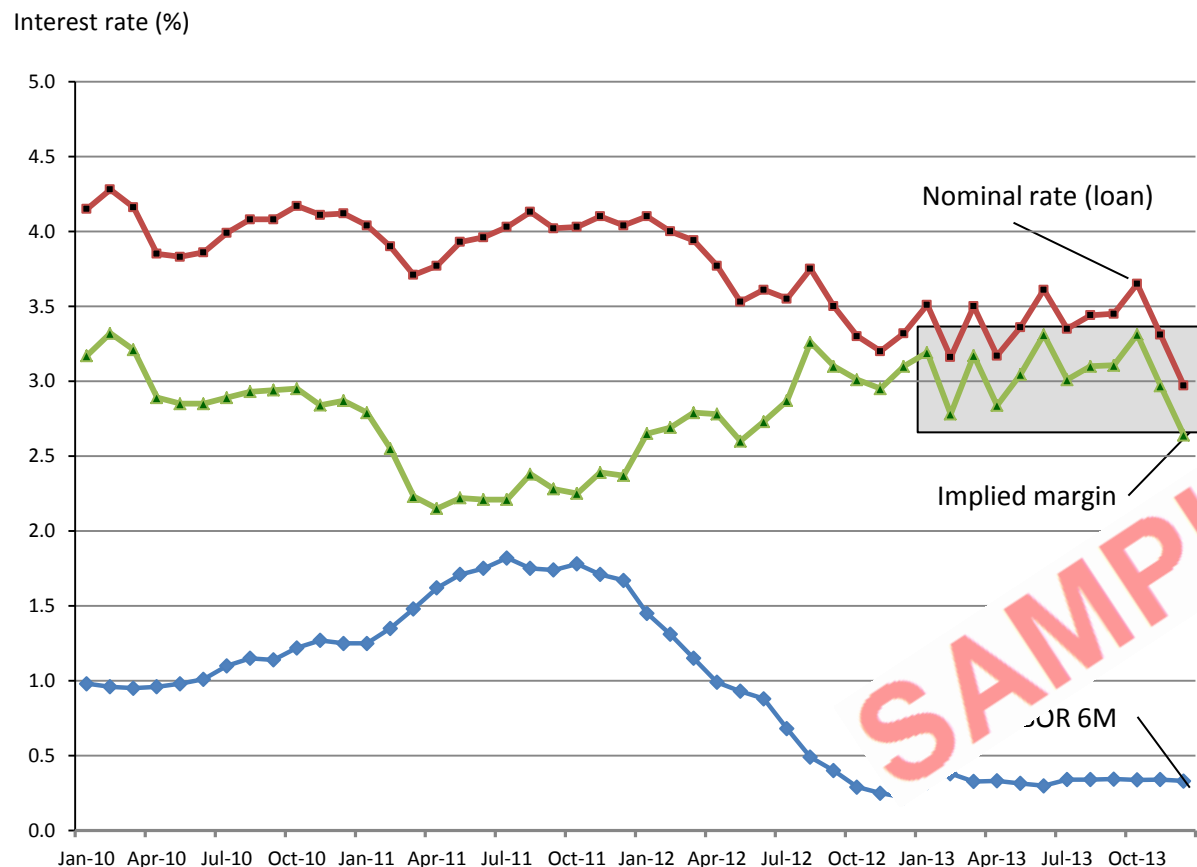
	Q1-Q3 2009	Q1-Q3 2013	Change 2009/2013
Average size of a new dwelling (m ²)	99.3	106.5	+7.3%
Average number of rooms of a new dwelling	4.09	4.33	+5.8%

Newly completed dwellings are significantly bigger today than in the past

* Data for the first three quarters of 2013
Source: GUS, Inteliace Research

MARGINS ON NEW EUR-DENOMINATED LOANS HAVE ALSO STABILIZED ALTHOUGH ON A SLIGHTLY HIGHER LEVEL THAN IT IS THE CASE FOR PLN LOANS

Average Margins* – New mortgage loans (loans in EUR)



LOANS
IN EUR

- Margins on EUR-denominated loans have stabilized around 300 bp since 2012.
- Margins on EUR-denominated loans are slightly higher (25 bp to 75 bp) than margins on comparable local currency loans.

Mortgage Lending in Poland, 2013-2015

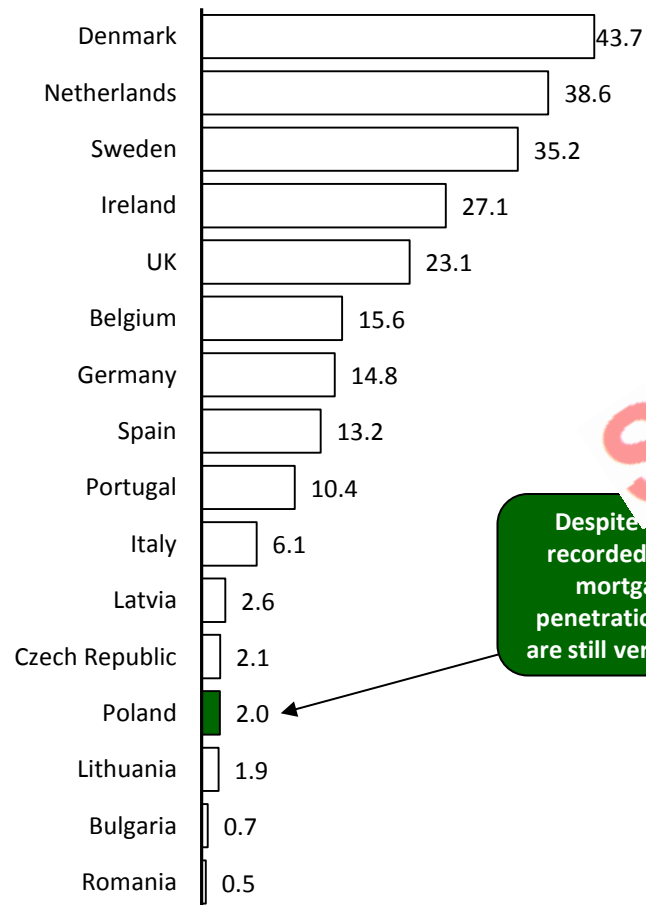
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* Average margin calculated as difference between interest rate charged on new mortgage contracts and interbank rate (LIBOR EUR 6M)

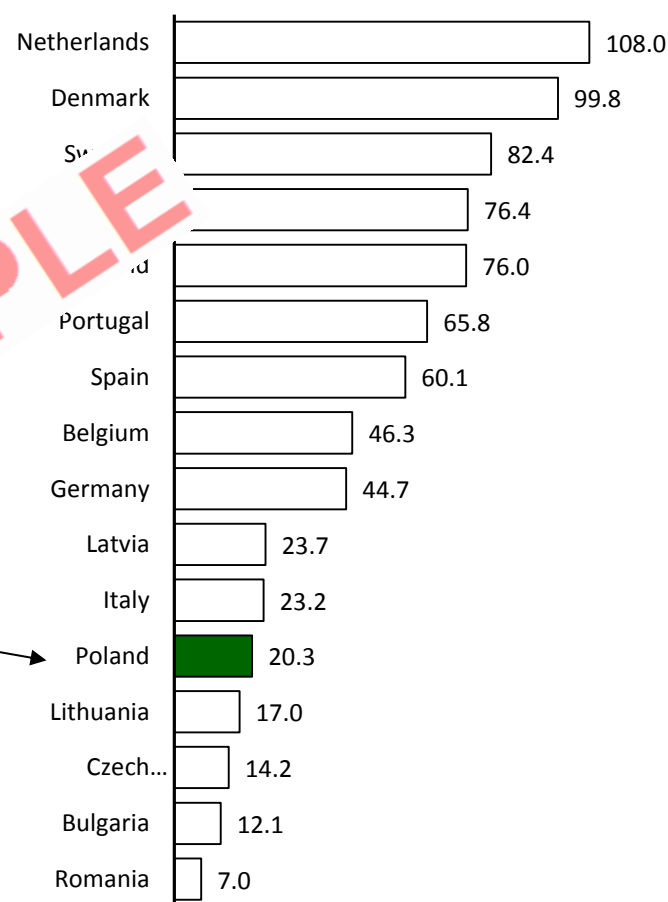
Source: ZBP, NBP, Stooq.pl, Inteliace Research

COMPARED TO OTHER EUROPEAN COUNTRIES, MORTGAGE LENDING PENETRATION BENCHMARKS ARE STILL VERY LOW IN POLAND

Residential mortgage debt per capita, 1H2013
In thousand EUR



Residential mortgage debt to GDP ratio, 1H2013
In percent



Despite quick growth recorded in past years, mortgage lending penetration benchmarks are still very low in Poland

Mortgage Lending in Poland, 2013-2015

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

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

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BANK OUTLETS DENSITY IN POLAND (1/3)

GĘSTOŚĆ SIECI PLACÓWK BANKOWYCH W POLSCE (1/3)

Number of bank outlets per 1000 sq km, by region, 2011
Liczba placówek na 1000 km2 powierzchni wg. województw, 2011r.

Srednia / Average = 58

The Southern and Central Poland have the largest density of bank outlets
Południowa oraz centralna Polska są najgęściej pokryte siecią placówek bankowych na km2.

BANK OUTLETS DENSITY IN POLAND (3/3)

GĘSTOŚĆ SIECI PLACÓWK BANKOWYCH W POLSCE (3/3)

Number of outlets per 1 million inhabitants, by county, 'powiat', 2011
Liczba placówek bankowych na 1 milion mieszkańców, wg. powiatów, 2011r.

Minimum: 126
Maximum: 947
Mediana (Median): 443

Number of bank outlets per 1 million inhabitants varies a lot on county level
Na poziomie powiatów gęstość placówek jest bardzo zróżnicowana

GE MONEY BANK – OVERVIEW

As of March 2006

History & Background

Timeline

- In 1995, GE group purchased a small regional bank, Goldenrod Chase ("Bank"). Bank was transferred to GE Capital Bank.
- In 1998, GE group purchased another small bank (PMA) and converted it to a mortgage specialist GE Bank Administration.
- In 2000, GE group acquired POC lending specialist entity with a network of 1000 POS.
- Entity was merged to Dobry kredyt.
- In 2004, as a result of desktop network was created for car loans sales.
- In April, Jan. 2005, all GE companies in Poland were consolidated under one roof: GE Capital bank.

Channels

- GE money bank – 48 branches
- GE card – 120 card car dealers
- Dobry kredyt consumer finance – 12 outlets and 1000 POS
- Expander – 33 branches - financial products distributor*

Shareholders

- General Electric Company
- Other

Concept Description

Target Clients

- Affluent individuals and professionals looking for mortgage, valuing quick processing and flexibility, sometimes not fulfilling lending criteria set by other banks (for example pile contract or own funds levels)
- Mass market clients looking for simple and quick consumer loans

Products

Only lending products on offer:

- mortgage
- refinance loan
- credit cards
- installment loans
- cash loans
- car loans

Partners: DobryKredyt, GE Card, GE Expander

Results

Assets PLN billion

2003	2004	2005
7.4	8.5	9.1

Market share (%)

2003	2004	2005
4.9	4.8	4.9

Loans PLN billion

2003	2004	2005
5.6	7.6	8.6

Net Profit PLN billion

2003	2004	2005
0.14	0.30	0.32

ROI (%)

2003	2004	2005
4.9	4.8	4.9

* Although Expander is distributing products from various banks, GE offer / for example mortgage / is reported to be favored
** Compound Annual Growth Rate
Source: Inteliace Research

Our Recent Documents:

2012

- February - Mortgage Lending in Poland '12
- April/May - Banking Market in Poland '12
- May - Bank outlets database '12
- June - Insurance Market in Poland '12
- September - Top 200 CEE banks '12
- October - Banking Market in Poland – Update 1H12
- December - Investment Funds and Asset Mgmt. '12

2013

- February - Mortgage Lending in Poland '13
- April/May - Banking Market in Poland '13
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