

Poland

The duel of the giants in corporate banking

The history, present condition and future prospects of the Polish banking services market concerns two major brands: PKO Bank Polski and Bank Pekao SA. Research experience has shown how often clients in the mass market confuse these two brands. Frequently it is only the questions about the characteristic elements of the logotypes, e.g. "the orange dot", "the money-box" or "the bison", which serve to identify the bank about which the respondent is talking.

Although this is the norm in the mass market, it almost never occurs amongst corporate clients. The chief accountants, CFOs and owners of large companies are well aware of the two brands and distinguish clearly between them, often mentioning the differences in their offers as well as in their institutional images.

Bank Pekao SA and PKO Bank Polski are, unquestionably, the leaders in the corporate segment with turnovers exceeding PLN 10m. However, detailed analysis of the market share dynamics over the last nine years indicates some crucial differences in the balance of forces between the brands analysed.

- 2002 - 2005

This was the period of the indisputable primacy of Bank Pekao SA. Its market share advantage compared to PKO BP had been almost double (30 per cent and 18 per cent respectively in 2002). The following years, however, brought a clear change with PKO Bank Polski increasing its market share considerably at the cost of the market leader. 2005 formed the breakthrough point with both brands recording identical market shares (at 23 per cent).

Of course, numerous other changes occurred in this market over the same period: Bank BPH maintained its stable and strong third position in the market, Raiffeisen Bank Polska and Bank Zachodni WBK grew in importance and ING Bank Śląski recorded the beginning of a clear growth trend.

- 2006 - 2007

Another study wave conducted by GfK Polonia in the first quarter of 2007 indicated a change in the leadership: PKO Bank Polski had achieved a 5-point advantage over its main competitor. However, its success did not continue in the following year, which is understandable when you take into consideration the business effects of the merger between Bank Pekao SA and BPH where Bank Pekao SA took over the vast majority of the BPH corporate clients.

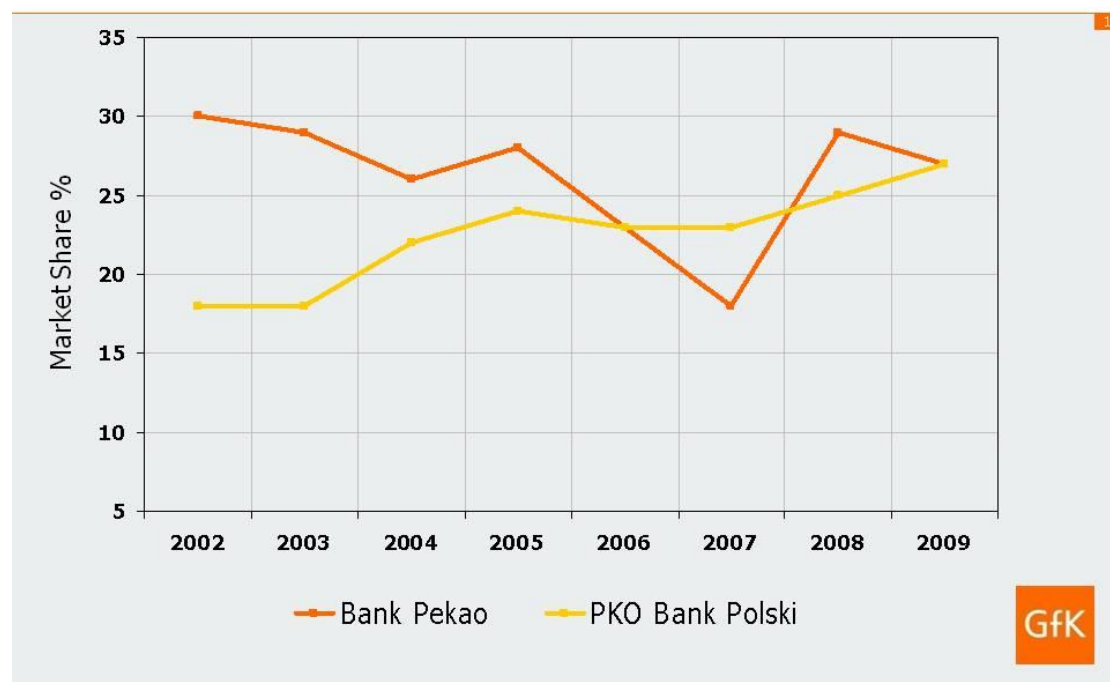
- 2008 - 2010

At the present time, we are witnessing another crucial moment in the clash between these two giants. The data obtained in 2009 show that both players have again achieved equal market shares. In a few months time, when GfK Polonia conducts another wave of interviews in 2,000 of the largest companies across the country, we will find out who it is who will win the duel and brandish the victor's palm.

Almost 10 years of Polish corporate banking are covered in GfK Polonia's reports and describe sudden turns of events, changes in the leadership position and a struggle for the precious clients from the business sector. In our careful analysis of the data from individual surveys, we are not only able to describe the changes in the market shares but also to interpret and explain them. We can see how the images of individual players have crystallised and how the banks differ in the key dimensions of innovation, price, tradition, security amongst others.

Currently, we are observing the dynamic growth of numerous brands (e.g. ING Bank Śląski, Bank Millennium, Raiffeisen Bank Polska and Bank Zachodni WBK) and a struggle for primacy amongst the current leaders. There is also a clear tendency to focus on specific client segments (e.g. PKO Bank Polski, BRE Bank, Citi Handlowy and others). A separate chapter of our analyses contains product cross-sections, service channel preferences, satisfaction and loyalty levels, and many other items of interest.

Cooperation with banks: Pekao or PKO Market share 2002 – 2009



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