

17 November 2009

Update


Banks
 Poland

Current price	PLN 188.0
Target price	PLN 173.0
Market cap	PLN 13.7bn
Free float	PLN 4.0bn
Avg daily trading volume (3M)	PLN 34.34m

Shareholder Structure

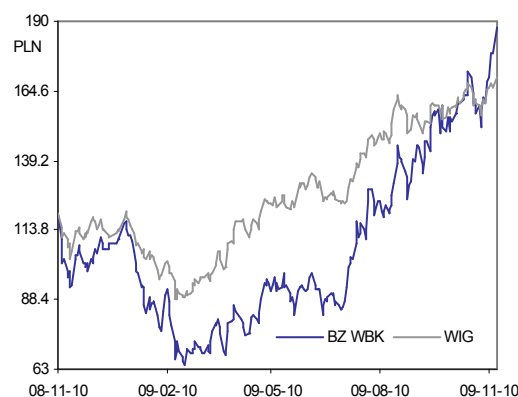
AIB	70.5%
Others	29.5%

Sector outlook

As liquidity returns to financial markets, costs of financing decline, affecting the wholesale money market and the inclination of banks to vie for pricey deposits. Another important factor is a stronger zloty, which boosts the loans/deposits ratio, improves capital adequacy, reduces the share of F/X loans in overall portfolios and limits the future risk of mortgage write-offs (LTV). Banks are simultaneously curbing their lending business and benefiting from the expansion in deposits.

Company Profile

BZ WBK is a leading Polish bank. It is a universal bank which provides services both to individuals, and large corporations. Over the last two years, BZ WBK has become one of the leaders in terms of operating efficiency and profit growth. In 2009, however, earnings are expected to be weighed down by an economic cooling and a slowdown in equity markets which are an important source of income. At the end of Q3 2009, the loans-to-deposits ratio was 85%.

BZ WBK vs. WIG

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BZ WBK

BZWB.WA; BZW.PW

Reduce

(Downgraded)

Raising the Bar

BZ WBK's excellent Q3'09 earnings convinced us to revise our long term earnings forecasts. In 2009 - 2010, we have increased them by nearly 25% due to the rapid rebound in the bank's interest income in H2'09 and the likelihood of faster interest rate hikes next year, as well as the expectation that costs of risk will be kept at 1.6% this year (PLN 551m, as per the Management's declarations of a few days ago) and figure to 1.5% next year. In the long term, our earnings forecasts have been increased by 6.4% on average, due to the higher projected income (mostly interest income). We believe the market has already discounted the more optimistic scenario. At our new FY2010 net-income estimate of PLN 914m, '10 P/E figures to 15. The Bloomberg consensus assumes a net profit of PLN 692m ('10 P/E = 20). Reflecting the changes in our forecasts, we are increasing our target price to PLN 173 per share (vs. PLN 152.1 per share, +13.8%). We are downgrading our rating from hold to reduce.

Outlook for Q4'09

Q3'09 earnings have shown the bank's considerable potential for earnings improvement. We believe that interest income will remain a strength, and we expect considerable growth of fee income. That said, the final quarter of the year will bring loan portfolio reviews and higher loan loss provisions. We accept the Management's scenario, outlined on occasion of the publication of the earnings, under which the costs of risk in FY2009 should figure to approximately PLN 550m (1.6% of net loans). We also expect a seasonal spike in expenses (a year-end effect). In FY2009 as a whole, total expenses will fall by approximately 1%, which will make it possible to improve the ratio of costs to income to 49.6% (vs. 50.6% in 2008).

Dividends

The Management said that no decision has been taken yet concerning dividends for FY2009; a partial payout cannot be precluded. With its capital adequacy ratio at 12.16%, the bank has enough capital, which is also likely to grow further (equity will be boosted by profits, risk weighed assets will grow slowly if at all). We nonetheless do not expect the bank to pay dividends from this year's profits, as the current market trends clearly favor amassing more capital with a view to further growth. BZ WBK's capital adequacy ratio is at a very solid level that leaves room for growth, but the bank's position does differ from Bank Handlowy's or Pekao's, which already have capital adequacy ratios above 15% (in all cases, Tier 1 only). Still, given our expectations for BZ WBK as discussed above, we expect it to pay 1/4 of its profits for FY2010 (we previously did not expect this until the following year).

(PLN m)	2007	2008	2009F	2010F	2011F
Net interest income	1 287	1 635	1 546	1 714	1 850
Net interest margin	3.5%	3.3%	2.7%	3.0%	3.0%
Income f/banking oper.	2 941	3 190	3 245	3 437	3 663
Operating income*	1 395	1 576	1 614	1 744	1 887
Pre-tax income	1 391	1 211	1 063	1 229	1 702
Net income	955	855	805	914	1 289
ROE	23.0%	18.4%	15.0%	14.7%	17.9%
P/E	14.4	16.0	17.0	15.0	10.6
P/BV	3.2	2.8	2.4	2.1	1.8
D/PS**	3.0	0.0	0.0	3.1	5.3
Dividend yield	1.6%	0.0%	0.0%	1.7%	2.8%

* before provisions; **dividends for the year, paid out the next year



Third-Quarter Results

At PLN 264m, BZ WBK's third-quarter net profit was 18% ahead of our forecast and the whopping 37% ahead of market consensus (PLN 193m, *PAP*). We are pleased with the quality of these earnings, since our target for operating earnings before provisions was exceeded as well (but only by PLN 20m, i.e. 7%) which is commendable as it was driven by both the higher income (higher interest and trading income) and better cost control (-11% y/y). An important factor affecting Q3'09 income were credit risk charges (PLN 97m vs. PLN 119m forecasted, a PLN 22m difference). While provisions decreased from PLN 123m recorded in Q2 2009, the rate of NPL growth was not contained. The NPL/gross loans ratio increased to 5.4% (vs. 4.5% a quarter ago and 2.9% at the end of 2008), and the NPL coverage ratio once again decreased, from 62% to 58%. The capital adequacy ratio was a safe 12.16%, and the loans/deposits ratio approached 85%. Thus, the bank does have room for further growth. We believe that while its expenses will remain under control, they will be on the rise, especially in Q4'09 (year-end effect). According to the Management, credit risk charges will increase in the final quarter, but they will be kept in check and not exceed PLN 550m on annual basis (ca. PLN 170m in Q4'09).

Reported vs. forecasted results

(PLN m)	Q309F	Differ.	Q309	Change	Q308	1-Q309F	Differ.	1-Q309	Change	1-Q308
Net interest income	402	2.8%	413	2.9%	401	1 118	1.0%	1 129	-6.4%	1 207
Net fee income	344	0.3%	345	-5.0%	363	993	0.1%	995	-5.9%	1 056
NIM	2.9%		2.9%		3.5%	2.6%		2.6%		3.5%
Income f/ banking operations	798	2.7%	819	-6.4%	875	2 367	0.9%	2 388	-1.6%	2 426
Operating expenses	-394	-3.0%	-382	-10.7%	-428	-1 200	-1.0%	-1 188	-5.9%	-1 263
Operating income*	410	6.8%	438	-3.3%	453	1 185	2.4%	1 213	1.4%	1 196
Provisions	-119	-18.1%	-97	601.0%	-14	-402	-5.3%	-381	497.9%	-64
Pre-tax income	291	18.0%	344	-21.8%	439	779	6.7%	832	-26.5%	1 131
Net income	223	18.2%	264	-18.7%	324	600	6.8%	641	-21.4%	815

Source: BRE Bank Securities, BZ WBK

* before provisions

Interest income was PLN 11m higher than our forecast (3%), and much higher than the market consensus of PLN 372m. Higher margins on loans, liquid balance sheet (which enabled the bank not to compete for new deposits), the appreciating zloty – all of these factors pushed interest income up. We expect the upwards trend on interest income to persist, but we do not expect the 16% q/q improvement to be replicated.

Fee income was in line with our expectations, in terms of both structure and quantity. A certain improvement in investment banking was offset by a slight decline in F/X gains. Trading income overshot our forecast by slightly less than PLN 10m; as expected, it declined q/q. We expect it will be difficult to generate high trading income in the quarters to come.

Operating expenses declined for another quarter in a row, to PLN 382m (-11% y/y, -4% q/q), thanks to the reduction of non-payroll costs from PLN 161m in Q2 to PLN 138m (an impressive 15% drop). We do not believe that this lower level is wholly sustainable in the ensuing quarters, however. Payroll costs increased slightly q/q. We believe further cost-cutting cannot be expected at the current level of revenues. We expect costs to remain in check, but without further reductions. The cost/income ratio fell to 47%, which means the bank is improving its efficiency y/y despite the weaker economy. We expect the ratio of cost to income to figure to 49.6% in the year as a whole (which entails an improvement on 50.6% in 2008). Total costs will decline by slightly under 1% in 2009. Next year will be marked by cost cutting, but due to the increase in payroll expenses (if only just because of higher bonuses) and in non-payroll expenses (due to expanded operations), expenses should increase by slightly under 4%.

Volumes were in line with expectations. Loans declined slightly q/q due to the reduction in corporate loans (driven, inter alia, by the appreciating zloty). The corporate portfolio fell by 4% q/q (leasing -4%, mortgages -8%). The retail portfolio expanded by 4% q/q. In case of deposits, we see outflows in the corporate segment; in addition, the bank's non-reaction to the high retail APRs means that it is not participating in retail deposit growth observed in the market as a whole. We expect these trends to persist in the upcoming quarters. We believe, however, that the bank will compete more actively for retail deposits.

**Deposits**

(PLN m)	Q108	Q208	Q308	Q408	Q109	Q209	Q309
Retail	19 037	20 106	21 841.4	24 239	25 235	25 453	25 084
Corporate	13 134	13 618	14 332.6	18 572	16 204	16 460	16 428
Total	32 171	33 724	36 174	42 811	41 439	41 912	41 512
Q/Q	Q108	Q208	Q308	Q408	Q109	Q209	Q309
Retail	25.7%	5.6%	8.6%	11.0%	4.1%	0.9%	-1.4%
Corporate	-10.2%	3.7%	5.2%	29.6%	-12.7%	1.6%	-0.2%
Total	8.1%	4.8%	7.3%	18.3%	-3.2%	1.1%	-1.0%
Y/Y	Q108	Q208	Q308	Q408	Q109	Q209	Q309
Retail	47.2%	53.5%	63.2%	60.1%	32.6%	26.6%	14.8%
Corporate	10.9%	12.4%	10.3%	27.0%	23.4%	20.9%	14.6%
Total	29.8%	33.7%	37.1%	43.8%	28.8%	24.3%	14.8%

Source: BRE Bank Securities, BZ WBK

Overview of quarterly earnings

(PLN m)	Q108	Q208	Q308	Q408	Q109	Q209	Q309	Q/Q	Y/Y
Net loans	26 168	28 273	31 023	35 137	36 711	36 223	35 405	-2.3%	14.1%
Deposits	32 172	33 724	36 174	42 811	41 439	41 912	41 512	-1.0%	14.8%
Assets	44 882	47 063	48 639	57 838	59 871	56 487	56 372	-0.2%	15.9%
Net interest income	376	401	430	428	362	355	413	16.3%	-3.9%
Net fee income	349	363	344	333	314	335	345	3.1%	0.4%
Trading income	20	41	31	4	49	78	61	-22.3%	92.4%
Dividends, sale of shares, etc.	0	70	1	0	0	76	0	-	-51.5%
Income from banking operations	745	875	805	765	725	844	819	-2.9%	1.7%
Other net operating income	10	12	10	8	7	5	1	-68.7%	-85.3%
Banking income	755	888	815	773	732	848	820	-3.3%	0.6%
Operating costs, amortization and depreciation	-400	-434	-428	-392	-407	-399	-382	-4.2%	-10.7%
Operating income before provisions	355	453	388	381	325	449	438	-2.5%	13.0%
Provisions	-6	-14	-44	-301	-161	-123	-97	-20.7%	121.9%
Share of profit of associates	0	0	-1	0	-3	0	3	-	-
Pre-tax income	349	439	343	80	162	326	344	5.4%	0.3%
Tax	-72	-88	-73	-23	-31	-56	-66	16.7%	-10.1%
Minority interests	-33	-27	-22	-16	-11	-12	-15	21.0%	-34.4%
Net income	243	324	248	41	119	258	264	2.2%	6.5%

Source: BRE Bank Securities, BZ WBK



Valuation

We have not changed our valuation method. We based our valuation on the Gordon model formula $P/BV = (ROE - g) / (COE - g)$, which we used to calculate the implied Price-to-Book Value multiple. The P/BV ratio depends on our assumed return on equity (ROE), cost of equity (COE) which is the sum of the risk-free rate and the risk premium entailed in the purchase of the bank's shares, and a long-term growth rate (g). Our valuation methodology has not changed since our previous research report. Our earnings forecast horizon ends in FY2018. Long-term ROE is the ROE we expect the bank to reach in the last forecast year (2018).

Dividends

Due to the increased profitability expectations for the upcoming two years and to the strong capital adequacy ratio, we have moved the date when dividend payments resume after this year's hiatus one year forward to 2010. In the long term, our assumptions for dividends remain unchanged: we expect the payout rate to increase from 25% to ca. 70%.

Cost of Equity

The risk-free-rate is equal to the yield on 10Y T-bonds prevailing on the date of valuation. The assumed risk premium is an unchanged 5%, and the beta for each of the banks in our coverage universe is 1. This has not been changed since our last report.

The yield on ten-year T-bonds at the close of day on 13 November 2009 was 6.119%. The resulting COE is 11.12%. In our previous report for BZ WBK, the risk free rate was 6.11%.

Valuation Revision

Our DDM-based valuation has increased by 13% due to several factors:

- Increase in net income forecast for 2009-2010 by 25% and by 6% on average in the following years
- First dividend payout in 2010 rather than 2011.
- As a consequence of these two factors, the long-term ROE increases from 14.1% to 14.7%

**DDM Summary**

(PLN/share)	2009F	2010F	2011F	2012F	2013F	2014F	2015F	2016F	2017F	2018F	+
Risk-free rate	6.12%	6.12%	6.12%	6.12%	6.12%	6.12%	6.12%	6.119%	6.12%	6.12%	6.12%
Risk premium	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Beta	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Cost of equity	11.12%	11.12%	11.12%	11.12%	11.12%	11.12%	11.12%	11.12%	11.12%	11.12%	11.12%
EPS	11.0	12.5	17.7	19.0	21.0	22.9	24.6	26.0	27.3	28.4	
Pct. y/y change in EPS	-5.9%	13.6%	41.0%	7.7%	10.2%	9.1%	7.4%	5.9%	4.9%	4.2%	
BVPS	78.9	91.4	106.0	119.7	134.0	148.5	162.8	176.5	189.5	198.0	
Pct. y/y change in BVPS	16.3%	15.9%	15.9%	13.0%	12.0%	10.8%	9.6%	8.4%	7.4%	4.5%	
ROE	15.0%	14.7%	17.9%	16.9%	16.5%	16.2%	15.8%	15.3%	14.9%	14.7%	
Long-term ROE											14.7%
Growth rate											4.0%
Implied P/BV											1.50
Equity at year-end 2018											284.3
Equity at year-end 2017											255.8
Equity at year-end 2016											230.2
Equity at year-end 2015											207.2
Equity at year-end 2014											186.5
Equity at year-end 2013											167.8
Equity at year-end 2012											151.0
Equity at year-end 2011											135.9
Equity at year-end 2010											122.3
Equity at year-end 2009											110.1
Equity at year-end 2008											99.0
DPS	0.0	3.1	5.3	6.7	8.4	10.3	12.3	14.3	20.0	20.7	
DPS/EPS	0.0%	25.0%	30.0%	35.0%	40.0%	45.0%	50.0%	55.0%	73.2%	72.7%	
Discounted DPS	0.00	2.43	3.70	4.18	4.74	5.24	5.62	5.89	7.40	6.90	
Total discounted DPS											46.10
FV as of Oct 2009											159.9
9MTP											173.0
Current price											188
Upside potential											-8.0%

Source: BRE Bank Securities

* risk-free rate = 10Y Treasury yield as of 13 November 2009

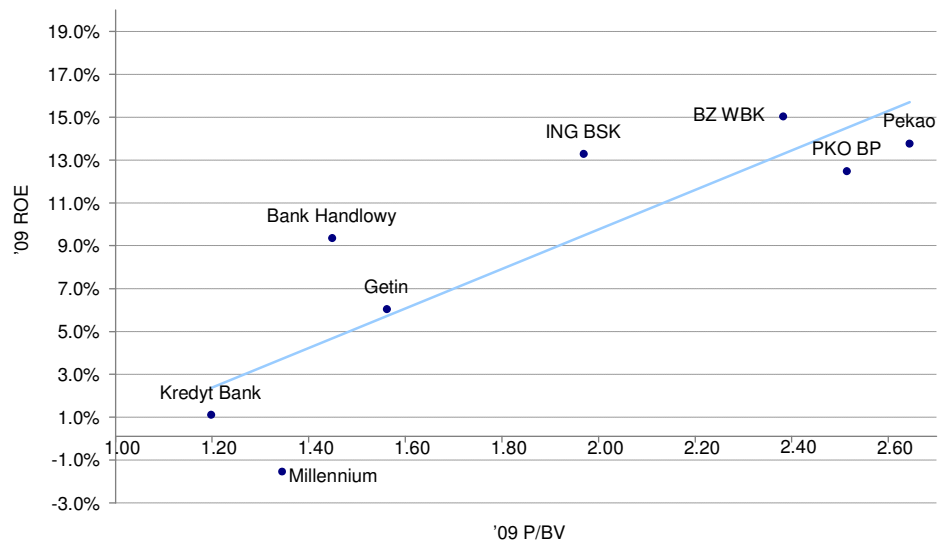


Overview of bank multiples

	Price	P/BV			P/E			PBV/ROE		
		2009F	2010F	2011F	2009F	2010F	2011F	2009F	2010F	2011F
Getin	8.39	1.6	1.4	1.2	26.6	13.3	7.6	25.9	12.6	7.0
<i>discount/premium to median</i>		0.0%	-0.9%	-12.3%	29.7%	-19.2%	-28.1%	34.6%	-20.9%	-28.7%
<i>discount/premium to average</i>		-14.7%	-17.5%	-21.6%	51.0%	-26.2%	-27.8%	57.1%	-27.6%	-29.5%
B. Handlowy	68.5	1.4	1.4	1.3	16.2	14.8	11.4	15.5	14.6	11.1
<i>discount/premium to median</i>		-7.3%	0.0%	0.0%	-21.0%	-10.3%	7.3%	-19.4%	-8.5%	12.7%
<i>discount/premium to average</i>		-20.9%	-16.7%	-10.6%	-8.1%	-18.1%	7.8%	-5.9%	-16.3%	11.4%
ING BSK	730.0	2.0	1.7	1.5	15.8	14.0	10.6	14.8	13.2	9.9
<i>discount/premium to median</i>		26.1%	22.4%	10.2%	-23.0%	-14.9%	0.0%	-22.8%	-17.4%	0.0%
<i>discount/premium to average</i>		7.5%	2.0%	-1.4%	-10.3%	-22.3%	0.5%	-9.9%	-24.5%	-1.2%
Kredyt Bank	11.8	1.2	1.1	1.0	109.0	27.6	8.6	108.4	27.0	8.1
<i>discount/premium to median</i>		-23.3%	-18.6%	-24.8%	430.8%	67.4%	-19.1%	464.4%	69.5%	-18.1%
<i>discount/premium to average</i>		-34.6%	-32.2%	-32.8%	517.9%	53.0%	-18.6%	558.6%	55.0%	-19.1%
Millennium	4.39	1.3	1.3	1.1	n.a.	24.3	9.0	-87.1	23.7	8.4
<i>discount/premium to median</i>		-13.9%	-9.7%	-17.2%	n.a.	47.4%	-15.5%	-553.4%	48.4%	-14.8%
<i>discount/premium to average</i>		-26.6%	-24.8%	-25.9%	n.a.	34.7%	-15.1%	-629.1%	35.7%	-15.8%
Pekao	184.60	2.6	2.5	2.3	20.5	16.5	14.3	19.2	16.0	13.8
<i>discount/premium to median</i>		69.2%	75.1%	71.7%	0.0%	0.0%	34.7%	0.0%	0.0%	40.3%
<i>discount/premium to average</i>		44.4%	45.9%	53.5%	16.4%	-8.6%	35.4%	16.7%	-8.6%	38.6%
PKO BP	39.30	2.5	2.4	2.1	23.5	19.8	12.4	20.2	19.3	11.6
<i>discount/premium to median</i>		60.9%	69.6%	56.8%	14.5%	20.0%	16.6%	4.9%	21.2%	18.0%
<i>discount/premium to average</i>		37.3%	41.3%	40.2%	33.3%	9.7%	17.2%	22.5%	10.8%	16.6%
Median		1.6	1.4	1.3	20.5	16.5	10.6	19.2	16.0	9.9
Average		1.8	1.7	1.5	17.6	18.1	10.5	16.5	17.4	10.0
BZ WBK	188.00	2.38	2.06	1.77	17.04	15.01	10.64	15.85	13.98	9.91
<i>discount/premium to median</i>		52.5%	45.7%	31.7%	-17.0%	-9.0%	0.4%	-17.5%	-12.4%	0.5%
<i>discount/premium to average</i>		30.1%	21.4%	17.7%	-3.4%	-16.9%	0.9%	-3.7%	-19.9%	-0.6%

Source: BRE Bank Securities

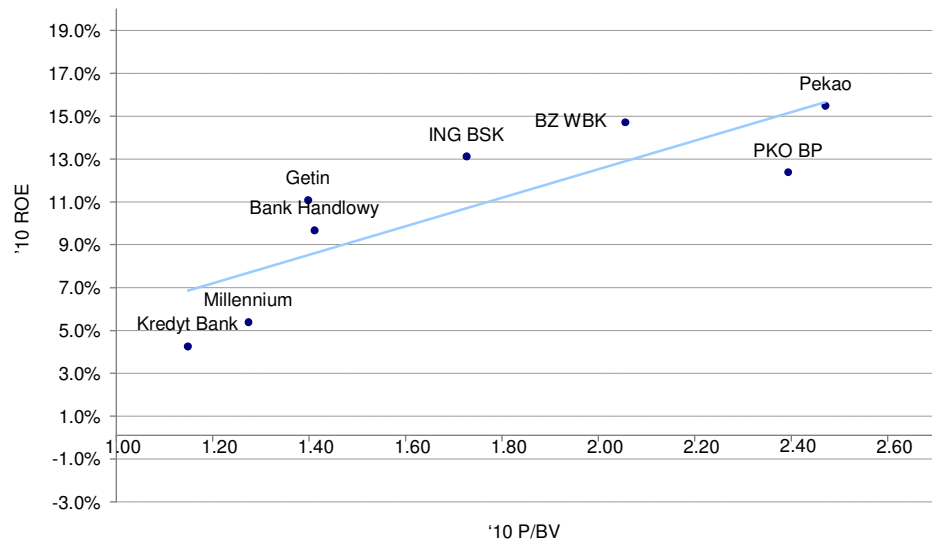
FY09E ROE vs. P/BV



Source: BRE Bank Securities



FY10E ROE vs. P/BV



Source: BRE Bank Securities

**INCOME STATEMENT**

(PLN m)	2007	2008	2009F	2010F	2011F	2012F
Net interest income	1 287	1 635	1 546	1 714	1 850	1 985
Non-interest income	1 654	1 555	1 699	1 723	1 813	1 905
Net fee income	1 545	1 390	1 373	1 516	1 614	1 696
Trading income	109	165	326	207	199	209
Income from banking operations	2 941	3 190	3 245	3 437	3 663	3 890
Other net operating income	14	40	20	20	20	20
Total banking income	2 955	3 230	3 265	3 457	3 683	3 910
Non-interest expense	-1 559	-1 655	-1 651	-1 713	-1 796	-1 878
Payroll expenses	-843	-896	-881	-911	-965	-1 018
Amortization and depreciation	-135	-107	-123	-123	-123	-123
Other expenses	-582	-651	-646	-680	-707	-736
Operating income before provisions	1 395	1 576	1 614	1 744	1 887	2 032
Provisions	-4	-365	-551	-514	-185	-200
Share of income of associates	0	-1	-1	-1	-1	-1
Pre-tax income	1 391	1 211	1 063	1 229	1 702	1 832
Tax	-281	-256	-202	-233	-323	-348
Profits attributable to minority shareholders	-156	-99	-56	-81	-89	-95
Net income	955	855	805	914	1 289	1 389
Dividends paid	219	0	0	228	387	486

CORE RATIOS

	2007	2008	2009F	2010F	2011F	2012F
Net interest margin (total assets)	3.5%	3.3%	2.7%	3.0%	3.0%	2.9%
Net interest margin (interest-bearing assets)	3.7%	3.6%	3.0%	3.2%	3.2%	3.1%
Interest spread	3.4%	3.2%	2.6%	2.9%	2.7%	2.6%
Costs / Income	52.8%	51.2%	50.6%	49.6%	48.8%	48.0%
Costs / Assets	4.2%	3.3%	2.9%	3.0%	2.9%	2.7%
Personnel costs / Income	28.5%	27.7%	27.0%	26.3%	26.2%	26.0%
Provisions / Operating income	-0.3%	-23.1%	-34.1%	-29.5%	-9.8%	-9.8%
Provisions / Loans	0.0%	-1.2%	-1.6%	-1.5%	-0.5%	-0.5%
Non-interest income / Total income	56.5%	49.4%	52.6%	50.4%	49.8%	49.2%
Operating income / Assets	3.8%	3.2%	2.8%	3.0%	3.0%	3.0%
ROE	23.0%	18.4%	15.0%	14.7%	17.9%	16.9%
ROA	2.6%	1.7%	1.4%	1.6%	2.1%	2.0%

ANNUAL GROWTH RATE

	2007	2008	2009F	2010F	2011F	2012F
Net income	26%	-10%	-6%	14%	41%	8%
Operating income before provisions	29%	13%	2%	8%	8%	8%
Total banking income	24%	9%	1%	6%	7%	6%
Net interest income	25%	27%	-5%	11%	8%	7%
Net non-interest income	24%	-4%	8%	1%	5%	5%
Non-interest expense	21%	6%	0%	4%	5%	5%

**BALANCE SHEET**

(PLN m)	2007	2008	2009F	2010F	2011F	2012F
Cash and Central Bank balances	2 206	3 178	3 403	5 611	7 451	8 620
Receivables from financial institutions	2 577	1 365	3 781	6 234	8 279	9 578
Debt securities	10 050	13 132	10 094	9 498	9 367	9 467
Loans	23 950	35 137	33 648	33 921	36 026	39 445
Equity investments	1 027	3 057	3 362	2 150	2 284	2 501
Fixed assets	659	811	787	763	741	718
Other assets	864	1 158	1 216	1 226	1 302	1 426
Total assets	41 332	57 838	56 291	59 404	65 450	71 754
Liabilities to financial institutions	4 484	5 338	3 394	2 271	2 487	2 715
Deposits	29 766	42 811	42 430	45 425	49 730	54 308
Securities outstanding	353	154	153	163	179	195
Subordinated debt	0	0	0	0	0	0
Other debt	2 153	4 343	4 305	4 608	5 045	5 510
Equity	4 342	4 952	5 757	6 671	7 732	8 734
Share capital	730	730	730	730	730	730
Total equity and liabilities	41 332	57 838	56 291	59 404	65 450	71 754

	2007	2008	2009F	2010F	2011F	2012F
NPL / Loans	2.8%	2.9%	6.7%	9.9%	9.9%	9.9%
NPL / Assets	1.7%	1.8%	4.2%	6.0%	5.8%	5.7%
Provisions / NPL	85.2%	85.1%	61.4%	55.2%	56.8%	56.8%
Provisions / Total loans	2.4%	2.5%	4.1%	5.4%	5.6%	5.6%
Provisions / Assets	1.4%	1.5%	2.6%	3.3%	3.3%	3.3%

ASSET ANALYSIS

	2007	2008	2009F	2010F	2011F	2012F
Equity / Assets	10.5%	8.6%	10.2%	11.2%	11.8%	12.2%
Loans / Assets	57.9%	60.8%	59.8%	57.1%	55.0%	55.0%
Deposits / Assets	72.0%	74.0%	75.4%	76.5%	76.0%	75.7%
Loans / Deposits	80.5%	82.1%	79.3%	74.7%	72.4%	72.6%
Loan CAGR	35.9%	46.7%	-4.2%	0.8%	6.2%	9.5%
Deposit CAGR	22.9%	43.8%	-0.9%	7.1%	9.5%	9.2%
Asset CAGR	25.3%	39.9%	-2.7%	5.5%	10.2%	9.6%



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**List of abbreviations and ratios contained in the report:**

EV – net debt + market value
EBIT – Earnings Before Interest and Taxes
EBITDA – EBIT + Depreciation and Amortisation
P/CE – price to earnings with amortisation
MC/S – market capitalisation to sales
EBIT/EV – operating profit to economic value
P/E – (Price/Earnings) – price divided by annual net profit per share
ROE – (Return on Equity) – annual net profit divided by average equity
P/BV – (Price/Book Value) – price divided by book value per share
Net debt – credits + debt papers + interest bearing loans – cash and cash equivalents
EBITDA margin – EBITDA/Sales

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HOLD – we expect that the rate of return from an investment will range from -5% to +5%
REDUCE – we expect that the rate of return from an investment will range from -5% to -15%
SELL – we expect that an investment will bear a loss greater than 15%
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Rating	Buy	Buy	Accumulate	Accumulate	Accumulate	Reduce	Buy	Hold
Date issued	2009-03-05	2009-04-07	2009-05-06	2009-05-20	2009-06-30	2009-08-05	2009-08-24	2009-10-05
Price on rating day	70.00	80.50	94.00	94.00	90.80	124.10	131.00	151.10
WIG on rating day	22719.61	26410.72	29777.06	30312.26	30525.72	35363.92	37915.39	37045.62