

Romania within the European Card market landscape

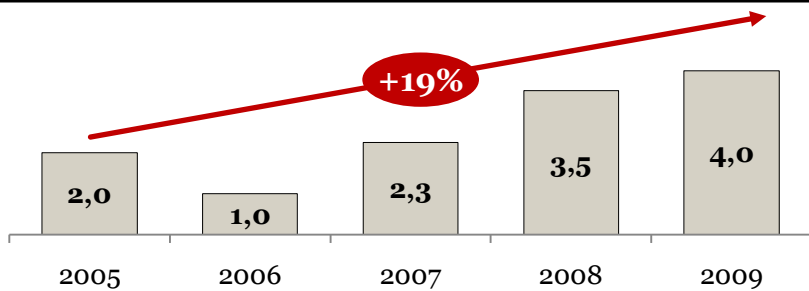
Bucharest, April 6th, 2011

Andrei Cretu, Manager
Advisory & Management Consulting

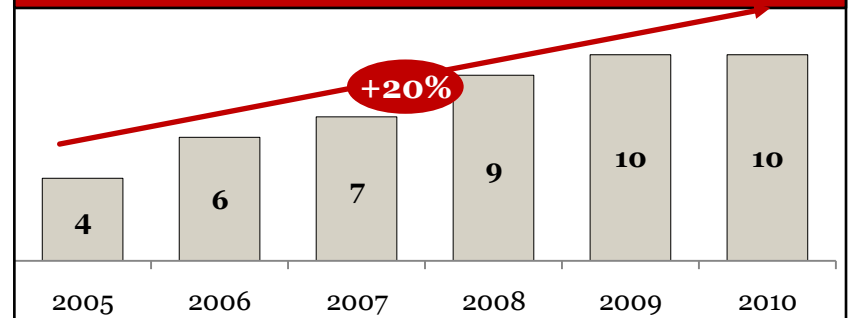
Historic performance analysis reveals solid card development in Romania

Romanian indicators evolution 2005-2010

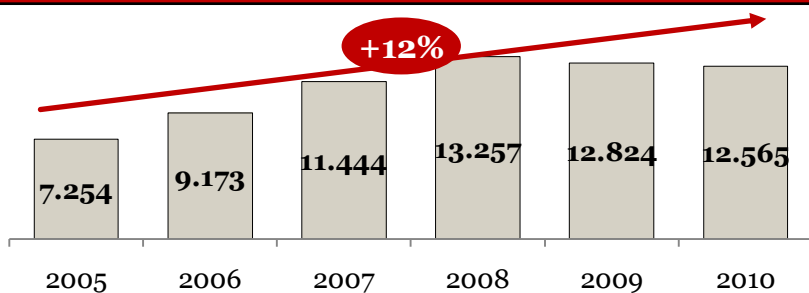
Increase in per capita no of card payments



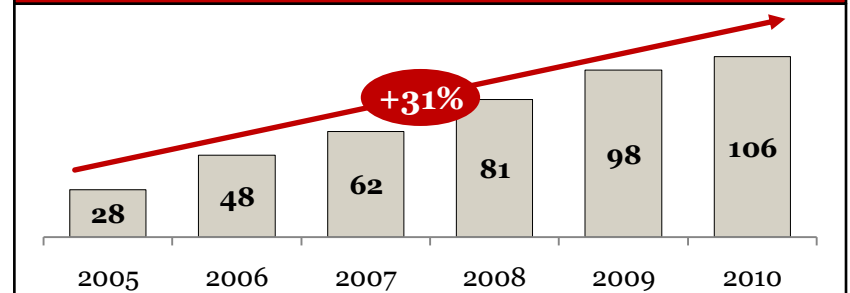
Increase in the number ATMs (thousands)



Increase in the no of cards issued



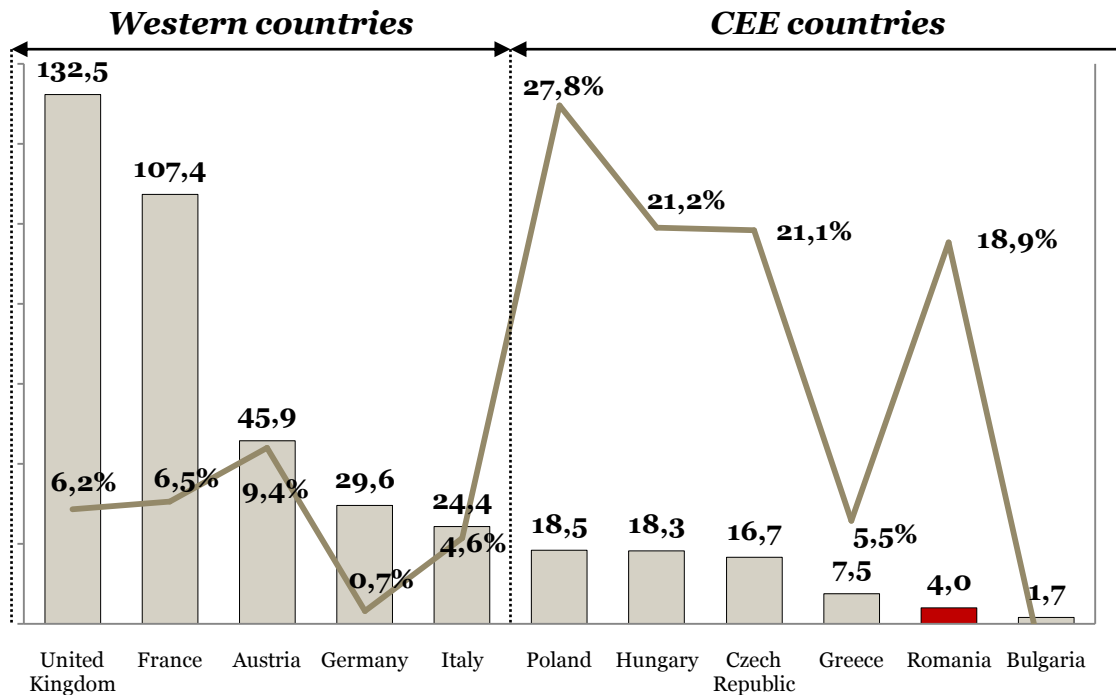
Increase in the number of POSs (thousands)



POSs CAGR amounted to 31% for the period 2005-2010

Romania is a very poor performer when compared to peer countries in terms of cards payments per capita

Number of payments per capita and CAGR for the period 2005-2009 (%)



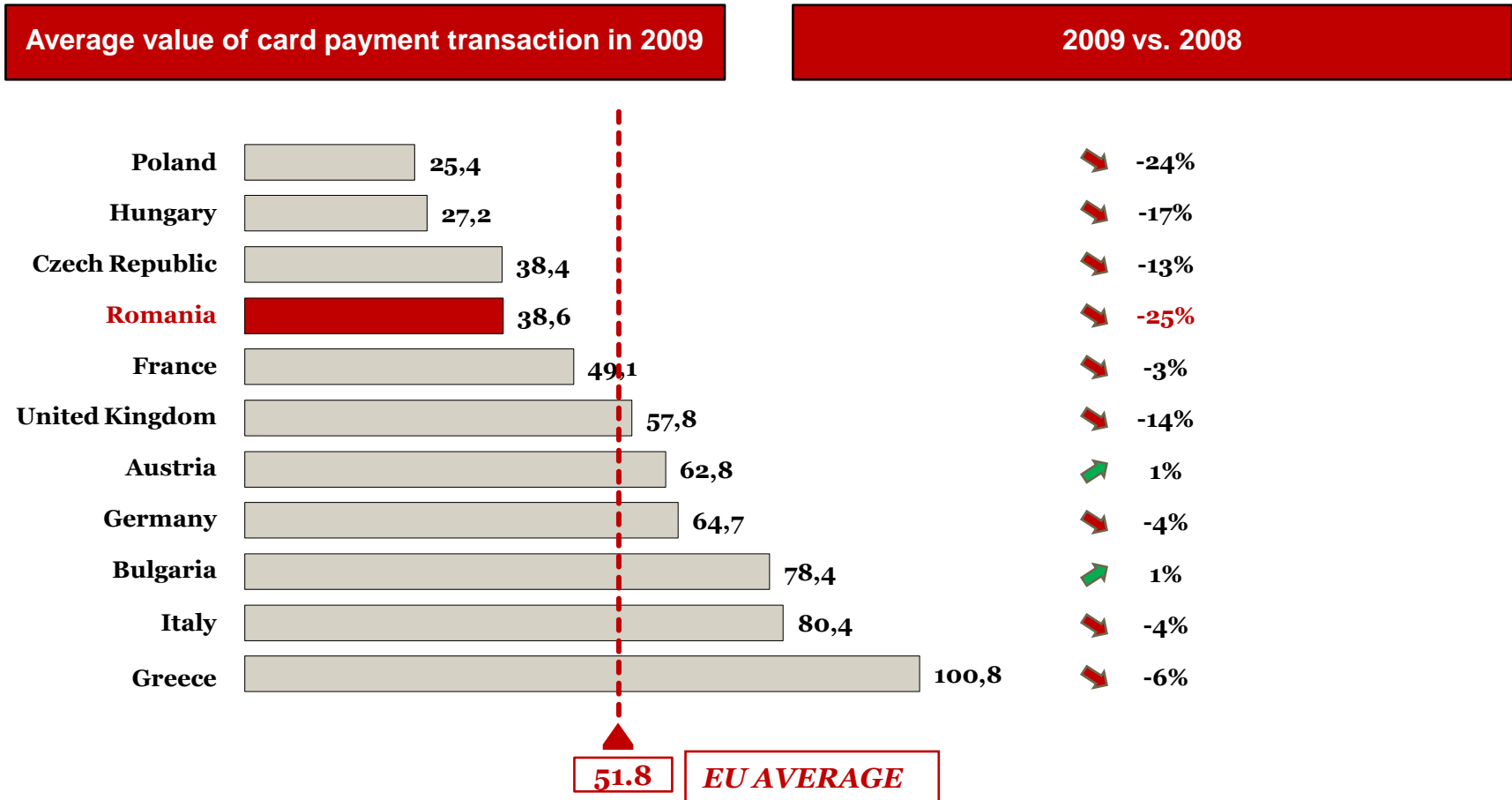
Recent market evolution

- Booming in the number of card payments (19% CAGR for the period 2005-2009) ; slowing down in 2010
- Higher awareness and usage of cards in the cities
- Still low penetration of cards and POS outside the main urban areas
- Growth of POS is mainly driven by merchants.

CAGR for the period 2005-2009 amounts to 19% for Romania

...although the average value of card payments is very close to EU average

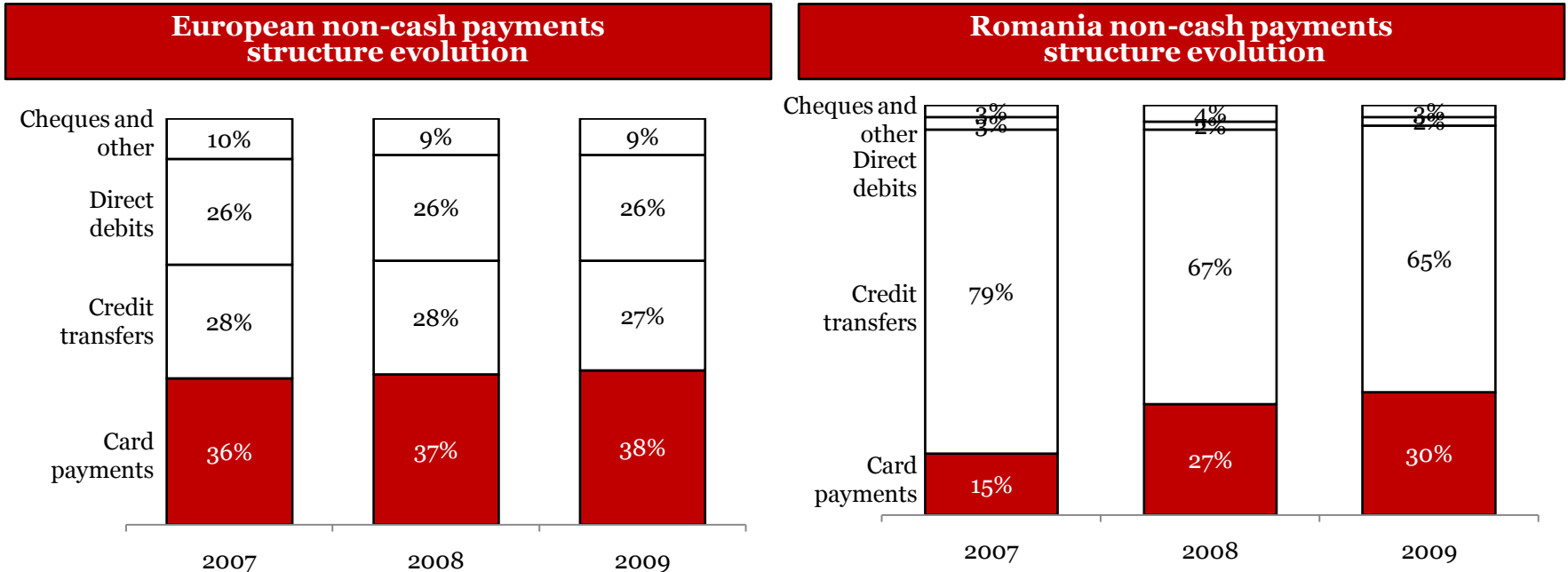
Overview of average value per transaction(EUR/transaction)



In Romania, the average per capita transaction amounts to a value of 38.6 EUR

Cards weight in total non-cash payments is much smaller in Romania, when compared to the EU structure

Non-cash payment structure (number)

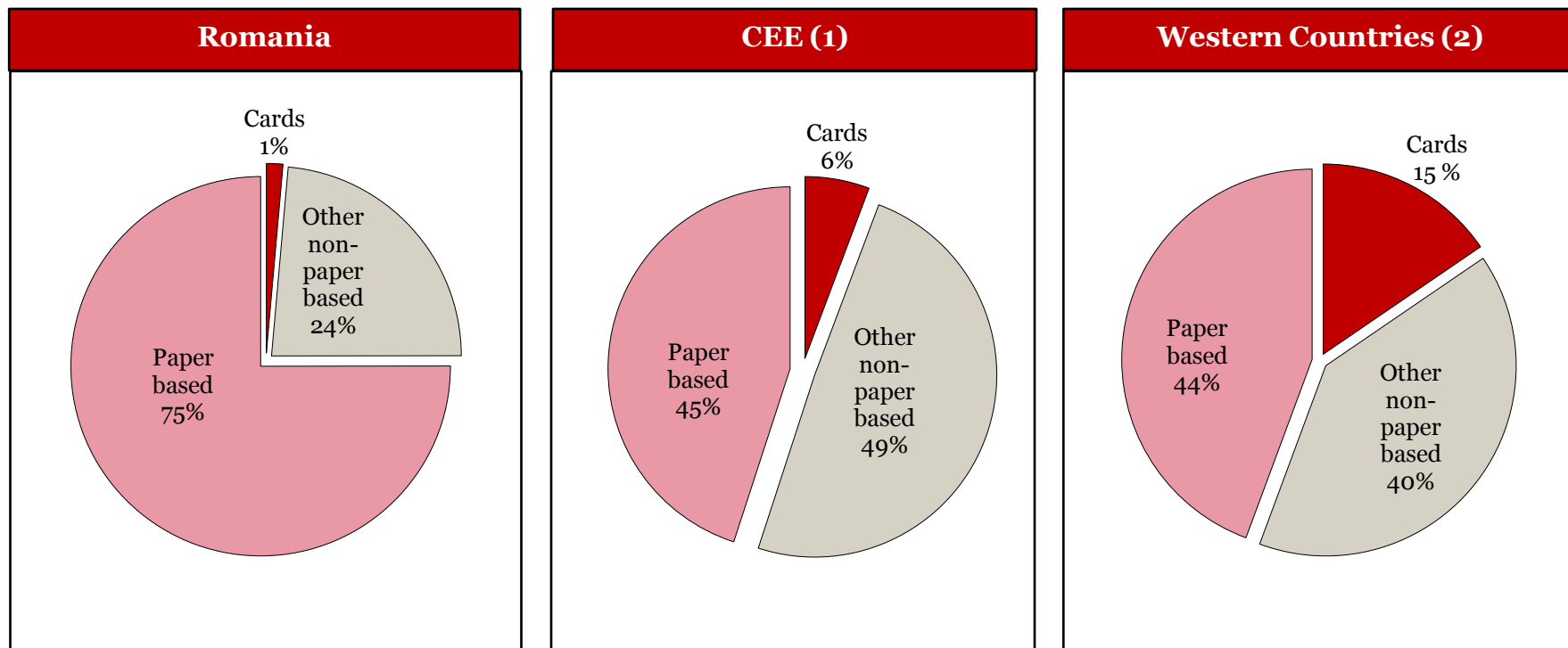


Comments

- Card payments gain weight within the Romanian payments landscape
- Cards are a predominant growth driver in the non-cash payments market, in both mature and developing countries

In Romania, only 1% of its payments are performed via card, as opposed to 15% in Western countries

Transactions split by type (value)



Note:

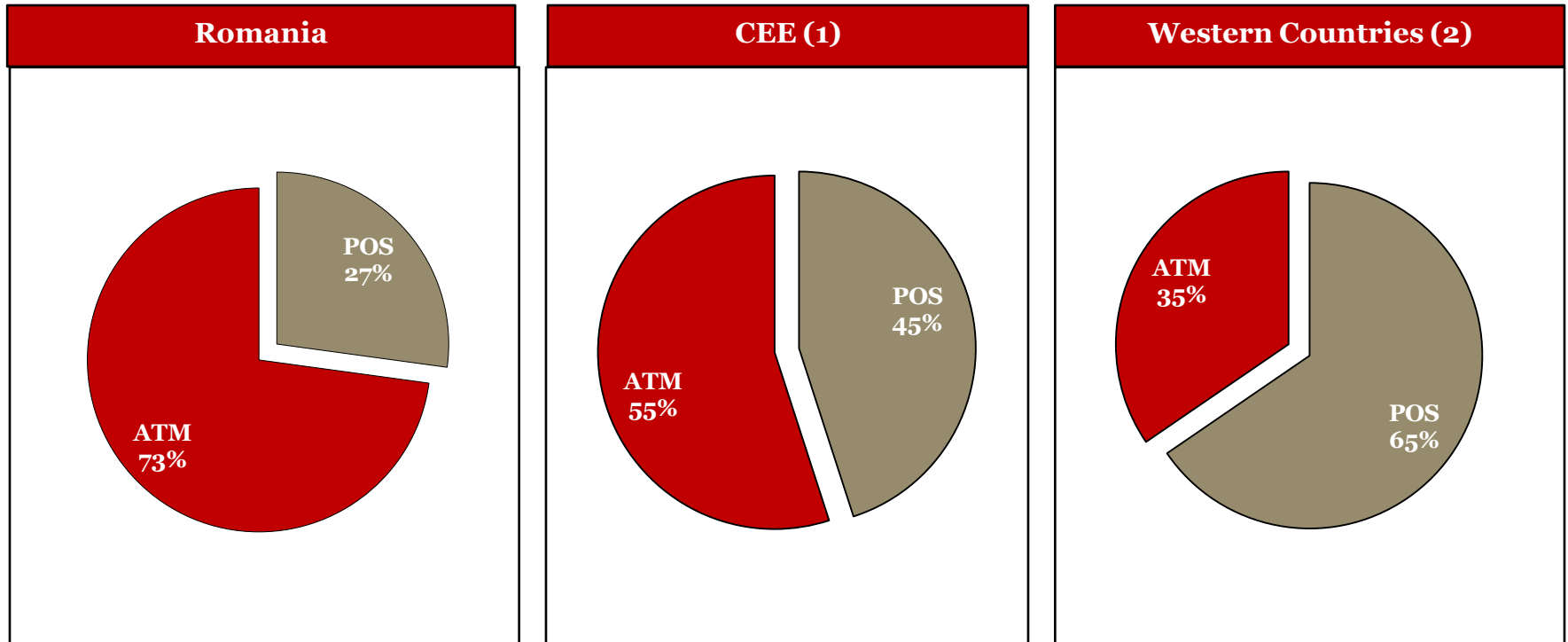
(1) Analysis taking into account the average for the following CEE countries: Hungary, Slovenia and Slovakia

(2) Analysis taking into account the average for the following Western countries: Austria, Spain, Germany and United Kingdom

In Romania, the vast majority of transactions are paper-based

In Romania, 73% of its payments are performed via ATMs, as opposed to 35% in Western countries

Transactions split by type of terminals (ATM vs. POS)



Note:

(1) Analysis taking into account the average for the following CEE countries: Hungary, Bulgaria, Czech Republic and Poland

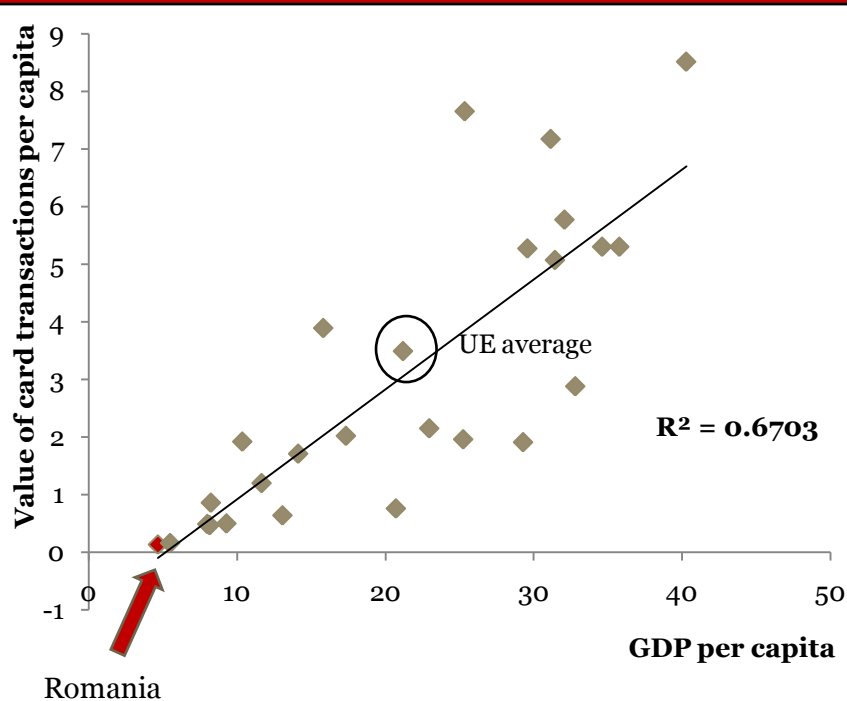
(2) Analysis taking into account the average for the following Western countries: Austria, Spain, Germany and Italy

In Romania, the majority of transactions are performed via ATMs

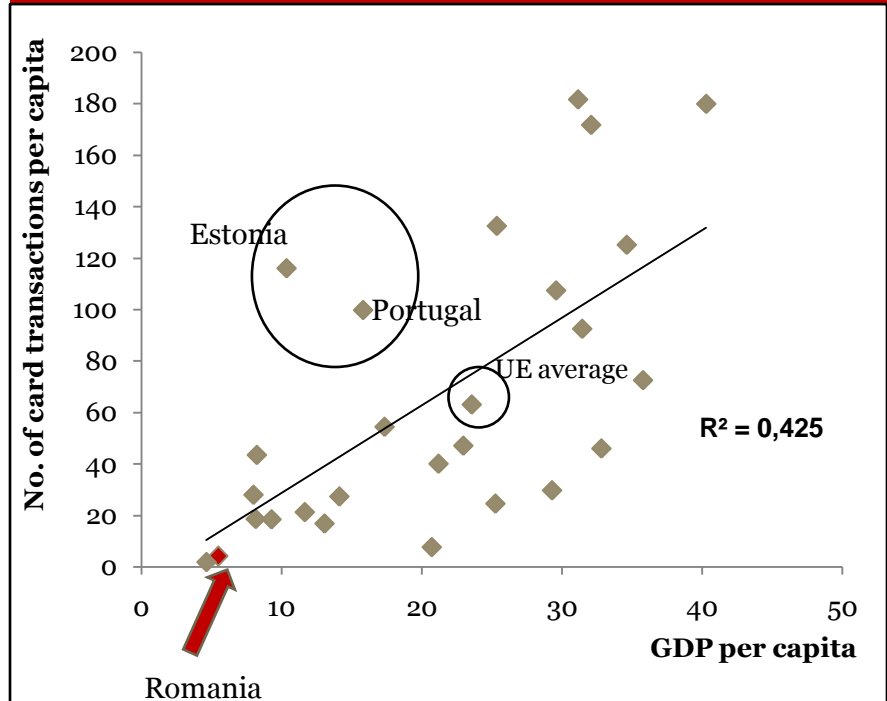
While value of card transactions seems to be highly dependant on economic well-being, number of cards transactions can be independently incentivized

GDP/capita correlations

GDP per capita vs. value of card transactions per capita ('000 EUR)



GDP per capita vs. number of card transactions per capita

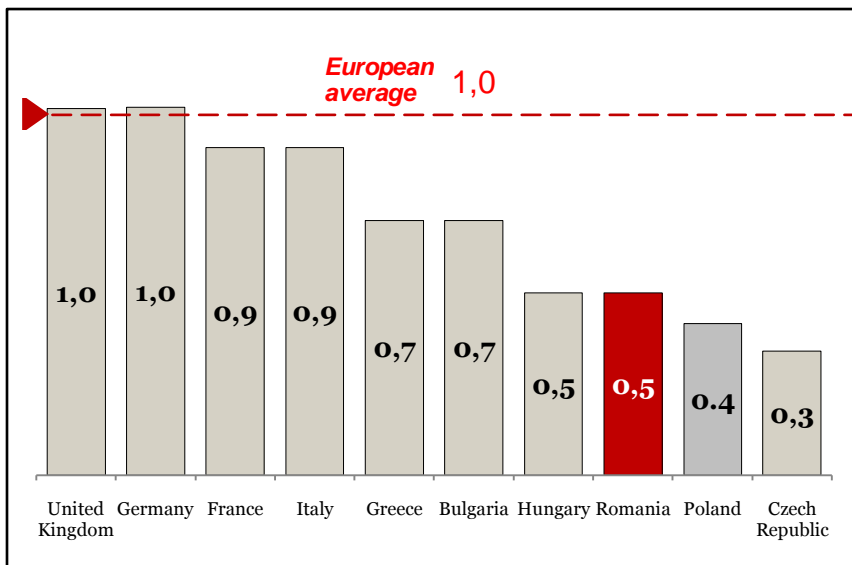


In 2009 the EU average no. of cards transaction per capita is 62.98 and the value of card transaction per capita/year is 3260.

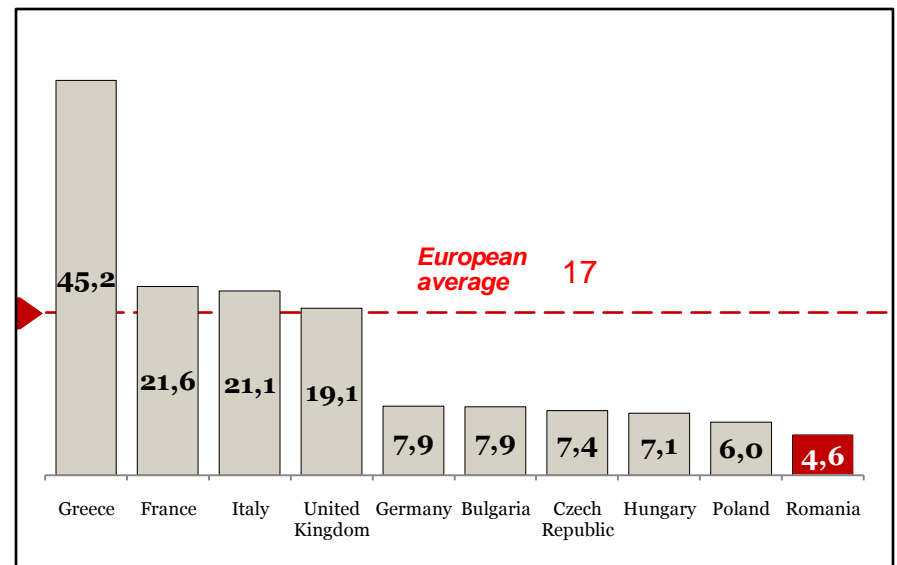
Supporting the transfer to card payments, the Romanian infrastructure capillarity has still a significant gap to close, especially in term of POSs

ATM and POS capillarity

Number of ATMs per 1,000 inhabitants (2009)



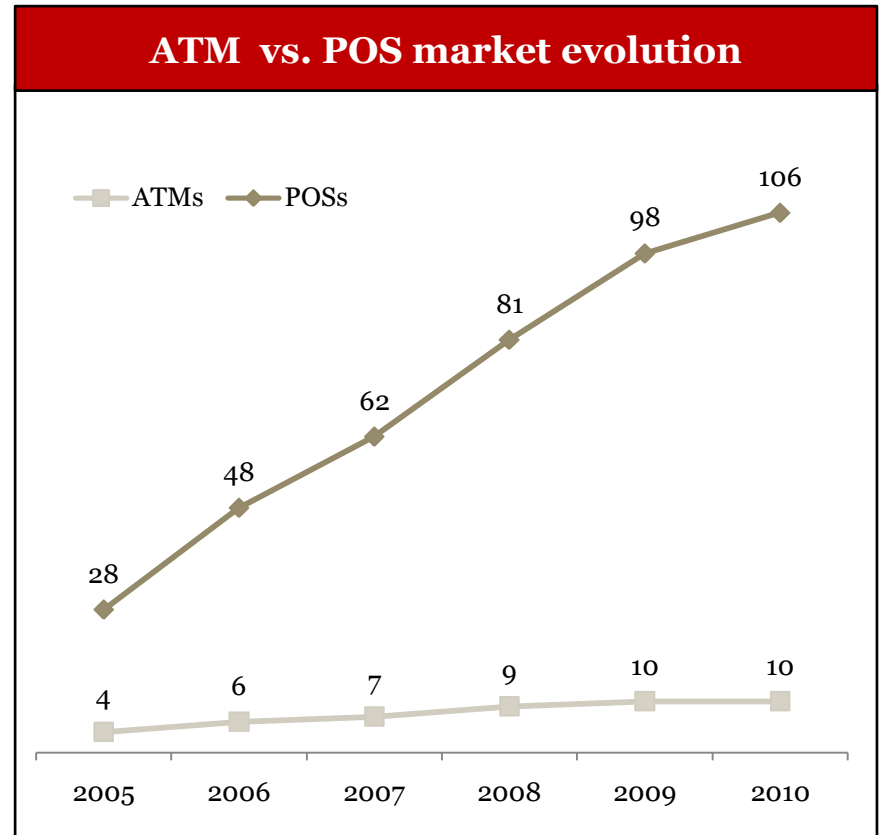
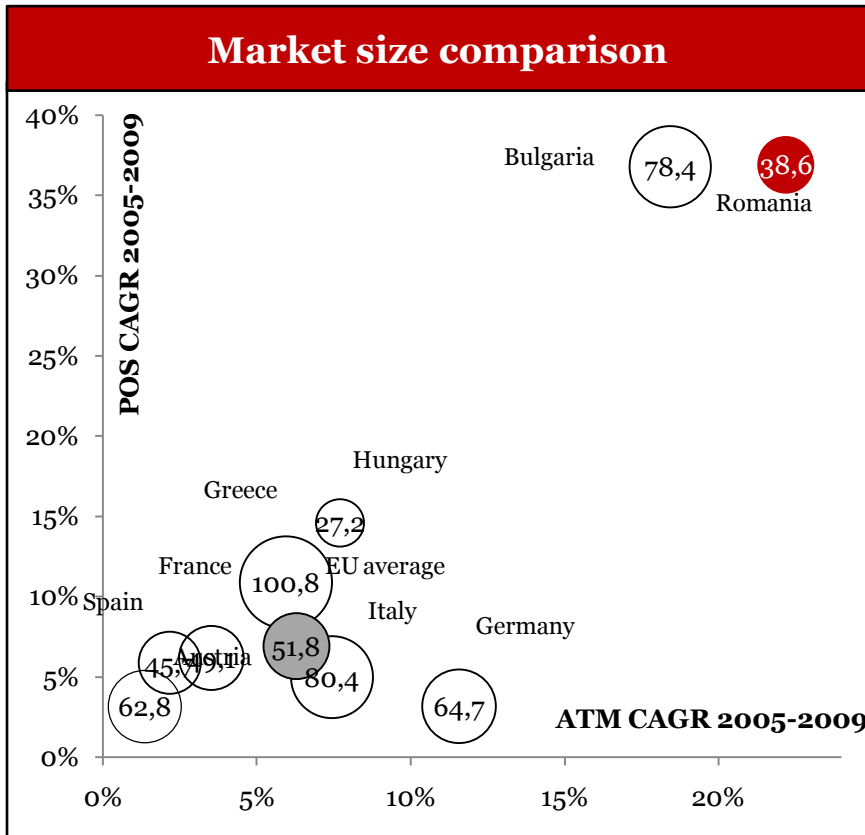
Number of POSs per 1000 inhabitants (2009)



In 2009 EU average is 1 ATM per 1.000 inhabitants and 17 POSs for 1.000 inhabitants

Romania had a dynamic expansion on both terminals ATMs and POSs between 2005-2009, but slowed down in 2010

Market overview



Note:

(x) Size and number corresponds to the average value per card transaction per country in 2009 (EUR)

Romania ranks 1st in EU in ATM growth and 2nd in POS growth rate

Romanian card market is a mix of weak present performance, a strong growth momentum and a very promising outlook

Actual status and acceptance delays

- **4** payments per capita in 2009 → 14% growth vs. 2008, but huge gap compared to Western and even Eastern Countries
- **38** EUR is the average card transaction value → close to the 52 EUR European average, but for different reasons (ATM withdrawal, high amount by Romanian standard)
- **1%** share of cards in total payments value → significant gap to 6% in CEE and very far from 15% Western European figure
- **73%** card use for ATM and only 27% in POS → split almost reverses in Western Europe
- Value of card transactions highly correlated with GDP/ capita; number of transactions can be significantly incentivized
- Low level of penetration in terms of cards issued per capita (608 cards at 1000 inhabitants). Out of 608 cards, 122 are credit cards → last position in CEE
- The cards market is dominated by debit cards issued for the purpose of salaries payments

Opportunities

- Cards with a credit function
- Acceptance in smaller cities
- Acceptance push on the consumer-end
- Primary tool in dealing with grey/black economy
- Multifunctional/specialized cards
- Financial intermediation

Cards are becoming more than ever a strong and stable growth driver that needs to be leveraged

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Andrei Cretu, Manager
+40 743 110 100
Andrei.Cretu@ro.pwc.com