

# News No. 3

(Round 1, Quarter 3)

22 January 2013

**JA-YE Europe**  
Banks in Action Challenge



## EDITORIAL

Dear readers,

Are you satisfied with the changes you have made to your strategies? Or you are sticking to your original plan and it seems to work perfectly? We see that some teams are still searching for the best solution. It's good to adapt as soon as you can, until the competitors are not too far ahead. There is still plenty of time and if you decide to follow a completely different path, you might still succeed; but do not waste any time.

If good performance in one business quarter can be thought of as luck, then it's twice as hard to be lucky two times in a row. Therefore, we think that at least the majority of the teams ranked below are highly skilled business managers, as they have managed to build the highest Banking Performance Index after two business quarters.

Team	Group	Country	BPI Q2
KRAG	37	Poland	143
SoniaDenisa	13	Romania	136
KAMA1	37	Poland	136
KAOL	38	Poland	134
IZDO	36	Poland	134

## ECONOMIC NEWS

As internet boom takes over your country, newspapers and other media around the world are closely following this growth phenomenon and reporting any new developments in the sector. Recently, one of the leading international business magazines The Rationalist has covered a story about new office spaces being built in the densely populated start-up areas. Reason behind that is that many of the fresh entrepreneurs are feeling extremely rich and do not waste any time before lavishly spending the piles of cash received through venture capital or IPO.

The stock market is booming as more people are joining the wave of investing in dot-coms. At the moment it does not matter, if you have any finance background, or you have been following the business press and analyzing companies' results, now everyone believes to be an expert and can tell you which stocks will rise or fall. Several renowned investors, who have made a fortune by selecting stocks based on fundamental analysis, which involves analysis of economic factors, financial statements and competitive advantages, are expressing very cautious notes, as a new investment "technique" called "prefix investment" emerges. Stock price of a company would soar simply just because they have added "e-" or ".com" at the beginning or the end of a name, respectively. As a result MASDAX index has gone up by 25.1% only in the last business quarter.

While during the international conferences the government is boasting about the never ending increases in stock market capitalization and some spillover

## BIAC SCHEDULE

Decision deadline for Quarter 3:  
**January 25 (Friday),  
16:00 CET**

Decision deadline for Quarter 4:  
**January 29 (Tuesday),  
16:00 CET**

Decision deadline for Quarter 5:  
**February 1 (Friday),  
16:00 CET**

Decision deadline for Quarter 6:  
**February 5 (Tuesday),  
16:00 CET**

Decision deadline for Quarter 7:  
**February 8 (Friday),  
16:00 CET**

*Please visit our web-site to see all important dates.*

## REGULATIONS

Decision	Min	Max
Credit Rate	Previous +/- 1%*	
Loan	Previous +/- 1%*	
Savings	Previous +/- 1%*	
Certificate	Previous +/- 1%*	
Marketing	50	20.000
R & D	50	20.000

*\* you can change your previous decision by no more than 1 percentage point*

Parameters	
Reserve (CB) Loan Rate	11%
Reserve (CB) Deposit Rate	5%
Tax Rate	25%
Deposit Reserve Ratio	10%
Capital Reserve Ratio	10%

*\* the changing parameters are marked in red*

effects to the real economy in terms of GDP, Central Bank is already becoming concerned, that such growth is unhealthy, unsustainable and the equity prices might be too far off from their intrinsic value. Therefore, it has increased the Reserve Deposit Rate to 5% in order to reduce the opportunity cost for the banks of holding excess reserves instead of lending the money to the public.

The spillover effect of the new internet era is that it has spurred technological development. Firms are searching for ways to be more technologically advanced than their competitors. Not only due to the fact that it attracts “tech-hyped” consumers, but it also allows on sharply cutting the costs. Therefore, those companies who currently invest in technological development will later have competitive advantage by spending the cost savings on business development.