

# Payments in Poland, 2018



*Selected pages from the original report*

by Inteliace Research  
October 2018

# Table of contents

## Executive Summary

### 1. Payments in Poland and in Europe

- Slide 1: Consumer markets in Europe, 2016/2017
- Slide 2: Total payments in Poland, structure by type, 2013-2018F
- Slide 3: Total payments: Europe vs. Poland, structure by type, 2017
- Slide 4: Card payment volumes in Europe & in Poland (1/2), 2015-2017
- Slide 5: Card payment volumes in Europe & in Poland (2/2), 2017

### 2. Payments and payment infrastructure in Poland

- Slide 6: Card payments in Poland, 2013-2018F
- Slide 7: POS infrastructure evolution in Poland, 2013-2018 H1
- Slide 8: Cards/terminals in Poland by functionality, 2016Q2-2018Q2
- Slide 9: ATM networks in Poland, 2013-2018 H1
- Slide 10: ATM cash withdrawals in Poland, 2013-2018F
- Slide 11: Cash in circulation and interest rates in Poland, 2013-Aug.2018
- Slide 12: Cards issued in Poland, 2013-18H1, split by type & brand, 2018Q1
- Slide 13: Top issuers of payment cards in Poland, 2018 H1
- Slide 14: Automated Clearing House (ACH) in Poland; Transaction volumes: ELIXIR, Express ELIXIR, SORBNET2, BlueCash, BLIK, 2012-2018
- Slide 15: Evolution of mobile payments in Poland – Global pays
- Slide 16: Overview of mobile payments in Poland by origin of funds, 2018
- Slide 17: Key players in payment applications/wallets in Poland, 2018
- Slide 18: Poland - retail payment services landscape, 2018
- Slide 19: HCE-NFC users evolution, key banks in HCE NFC, 2015-2018Q2
- Slide 20: PSD2 and its implementation in Poland
- Slide 21: PSD2 and its expected impact in Poland by stakeholder type
- Slide 22: Total payments in Poland, forecast for 2022

### 3. Retail landscape (merchants) and payment methods

- Slide 23: Brick&mortar (b&m) vs. online retail landscape, 2017
- Slide 24: Key payments methods available in B&M and in online retail, 2018
- Slide 25: Survey on payment methods in 53 large online stores, Oct. 2018
- Slide 26: Online merchants & payment methods– case (1/3): Allegro
- Slide 27: Online merchants & payment methods– case (2/3): RTVEuroAGD
- Slide 28: Online merchants & payment methods– case (3/3): empik.com
- Slide 29: Key players in specialized mobile payments in public /municipal transportation, 2018
- Slide 30: Use of payment cards as tickets in public transport, 2018

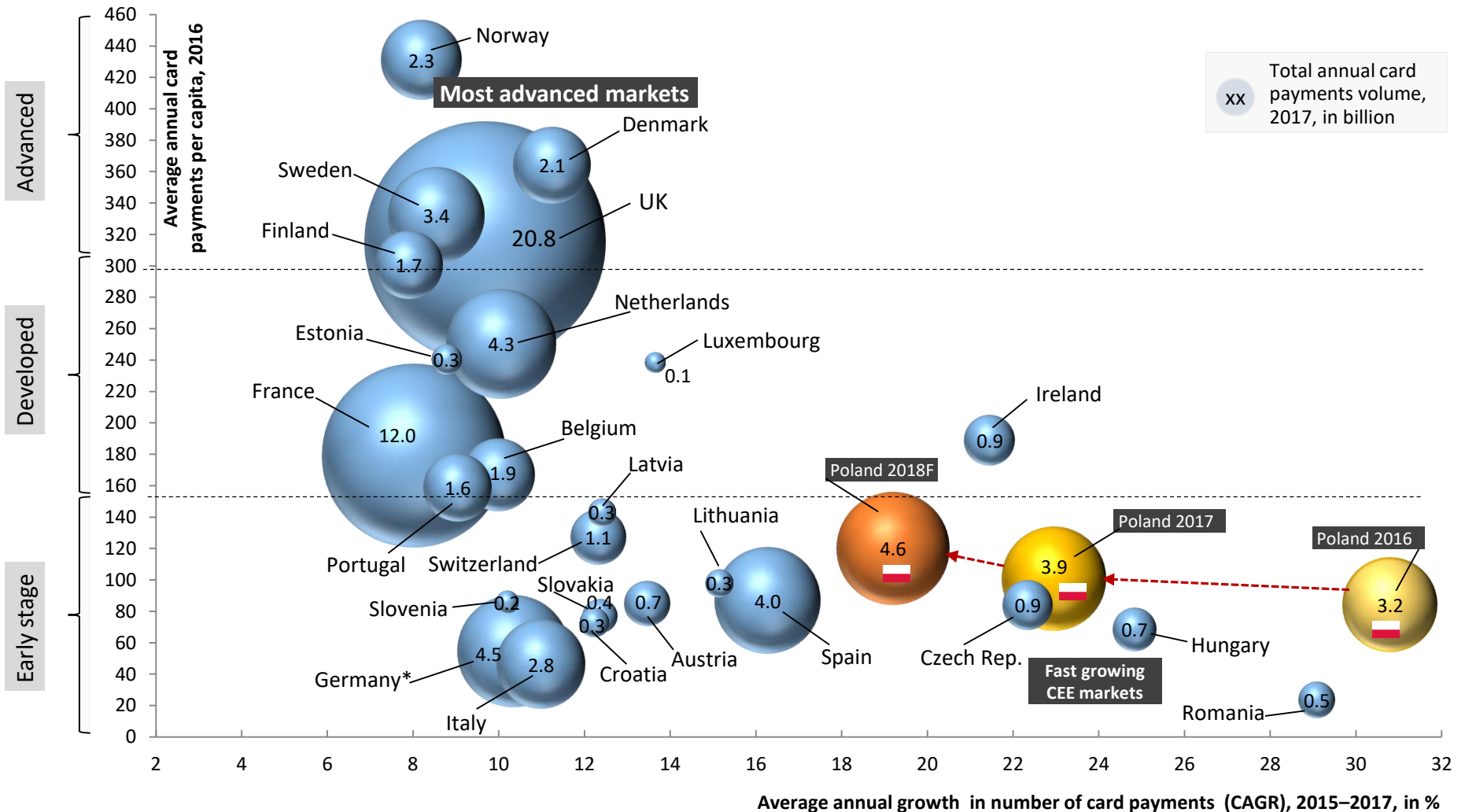
### 4. Key players by segment

- Slide 31: Mobile payments – top players and their reach, 2018 H1
- Slide 32: Mobile payments (1/4): BLIK
- Slide 33: Mobile payments (2/4): PeoPay
- Slide 34: Mobile payments (3/4): Google Pay
- Slide 33: Mobile payments (4/4): Apple Pay
- Slide 35: Digital wallets (1/2): MasterPass
- Slide 36: Digital wallets (2/2): VISA Checkout
- Slide 37: Payment aggregators (1/3): PayU
- Slide 38: Payment aggregators (2/3): Przelewy 24
- Slide 39: Payment aggregators (3/3): Dotpay/eCard
- Slide 40: Digital wallet with hybrid funding: PayPal
- Slide 41: Payment gate for ACH-based pay-by-links: Paybynet

Appendix: Directory of firms mentioned in the report

# The explosive growth in card payments in Poland continues

















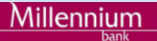






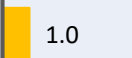

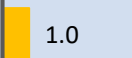
## Card payments in Poland vs. Europe, 2015-2017



\* Local payment scheme existing and using alternative solutions e.g. direct debit  
 Source: ECB, SNB, NB, Eurostat, NBP, Inteliace Research

# The competition in mobile payments is growing fast. Banks develop own solutions and leverage partnerships at the same time

Legend:  
 ✓ -available  
 ✗ -not available

Key players in payment applications/wallets, 2018		Key payment applications (mobile, wallets, etc.)					
Bank	Number of retail accounts (ROR), As of Q2 2018, in million	HCE Bank Proprietary NFC/HCE* 	 BLIK	 Google Pay	 Apple Pay	 Master-Pass	 Visa Checkout
 Bank Polski PKO BP / Inteligo	 7.3	✓	✓	✗	✓	✓	✓
 Bank Pekao Bank Pekao	 4.0	✓	✓	✗	✓	✓	✓
 mBank mBank	 3.4	✓	✓	✓	✓	✓	✓
 Santander Santander	 3.3	✓	✓	✓	✓	✓	✓
 ING ING Bank Śląski	 3.1	✓	✓	✓	✗	✓	✓
 Millennium Millennium	 2.2	✓	✓	✗	✗	✓	✓
 Alior Bank	 1.8	✓	✓	✓	✓	✓	✓
 eurobank Eurobank	 1.5	✓	✗	✓	✗	✓	✓
 Credit Agricole	 1.0	✗	✓	✗	✗	✓	✓
 Getin Noble Bank	 1.0	✓	✓	✓	✓	✓	✓

Payments in Poland, 2018

\* NFC – HCE solutions offered independently by individual banks to own clients;  
 Source: banks, prnews, Inteliace Research

# While the legislative process to implement PSD2 is mostly finished, the technical & security standards are still being developed

## PSD2 and key changes

PSD2 will have a gradual impact on banks and other institutions operating in the Polish financial sector. Since the payments market in Poland is fairly innovative, (e.g. early entry of: Google Pay, MP, Visa checkout, contactless adoption, multiple PSP) it is expected that there will be range of players trying to benefit from new opportunities created by PSD2. Commercial banks with largest client books are expected to delay the opening process while creating own, PSD2-compliant subsidiaries, or investing in fintech in order to be able to retain most valuable clients within their groups.

### Major changes by PSD2

- 
- XS2A**
    - Access to Account (XS2A). Banks will be required to assure access to client account by third party service providers based on a APIs
  - SCA**
    - Strong Customer Authentication (SCA). The PSD2 requirement for SCA is satisfied if client authentication procedure combines two out of three independent elements: knowledge, possession, inherence. Exceptions exist where risk of fraud/tx value is low
  - AISPs**
    - Providers of Account Information Services (AIS). AIS is an online service to provide consolidated information on one or more payment accounts held by the payment service user with either one or multiple payment service providers”.
    - Relatively low regulatory requirements and no minimum capital requirement vs. AISPs
  - PISPs**
    - Providers of Payment Initiation Services (PIS). PIS is a service of initiating a payment order at the request of the payment service user with respect to a payment account held at another PSP.
    - Licence and minimum capital requirements vs. PISPs

## Timeline – PSD2 in Poland

### Legislative changes:

- A legislative process of aligning local regulations with PSD2 is underway. Several changes are included in the new version of „Payment Services Bill\*” as well in other acts.
- The new law, among other changes introduced a Small Payment Institution category – payment processors of low tx. value

### Stakeholders:

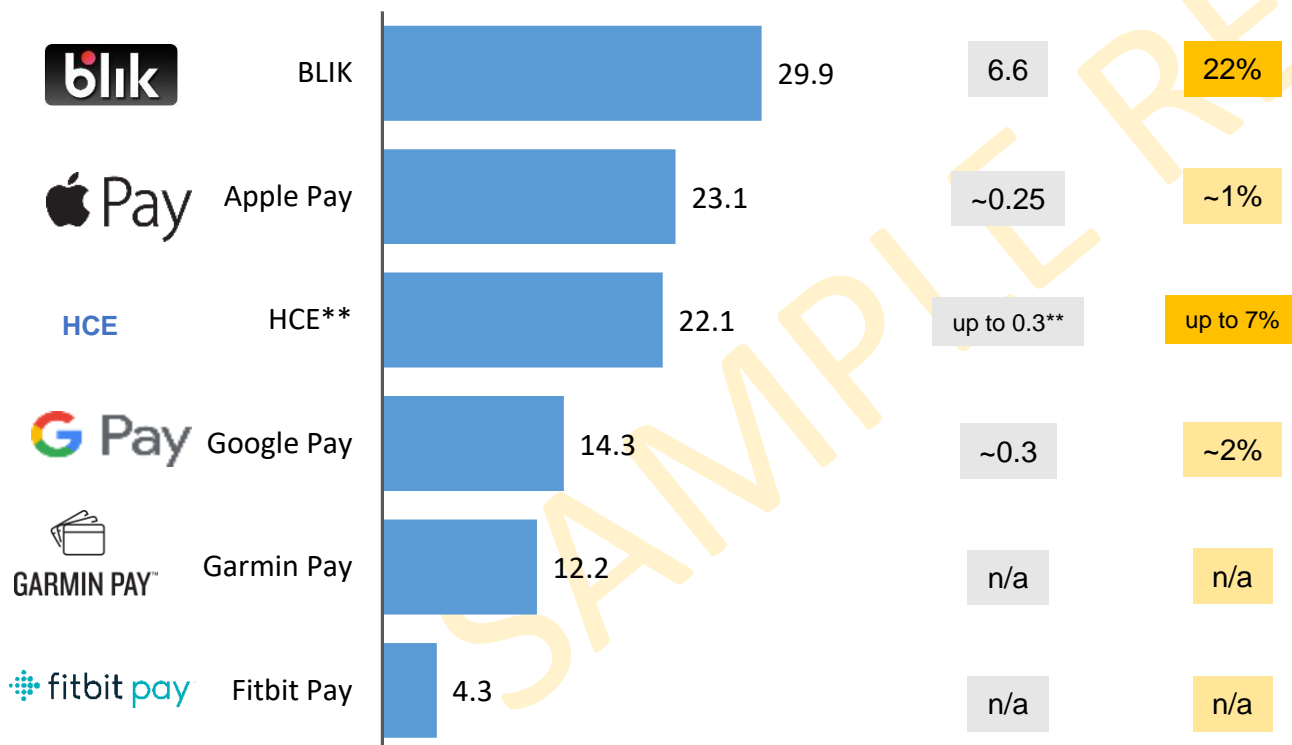
- Polish API – A common access protocol developed by a working group of: ZBP/KIR and banks. API rev. 1.0 was released in April 2018 and API rev. 2.0 was released in July
- Final SCA and CSC standards are likely to be adopted in late 2018/early 2019.
- Commercial banks report various progress on implementation of account access. Banks might use the transitory phase - lack of RTS as a reason to delay full opening.
- Most technically advanced banks are reported to develop/invest in fintech /payment companies in order to benefit from opportunities the PSD2 offers and to actively defend against client loss.

# The competition in mobile payments has intensified. Specialized players (Garmin or Fitbit) round the offer of industry leaders: Apple, Google and BLIK

**Selected mobile payment schemes in Poland and their reach,**  
As of 2018 Q2/Q3, in million cards\*

**Number of users\*\*\***  
in million

**Share**  
(users/cards) in %



- There is already strong competition among providers of mobile payment solutions in Poland.
- BLIK is the only large scheme not device/OS specific. It is also the only scheme that has reached a significant scale of operations so far.
- The upper growth barrier for most schemes is a combination of two factors: the number of clients at cooperating banks and the number of clients using supporting devices.

For schemes other than BLIK, the number of devices owned by clients is currently the natural growth barrier. E.g. only 14% of phones sold in Poland operate the iOS system (2017) - the prerequisite for Apple Pay

\* Number of cards (debit+credit) issued by cooperating banks to individual clients  
 \*\* Payment solutions developed by individual banks with use of HCE technology (Android devices)  
 Source: banks, Gartner, Inteliace Research

# Companies mentioned in the report



Brand/Channel	Company name	Type
Blue Media	Blue Media S.A.	ACH
KIR	Krajowa Izba Rozliczeniowa S.A.	ACH
Elavon	Elavon Financial Services	acquiring
eService	eservice Sp. z o.o.	acquiring
IT Card	IT Card CTP S.A.	acquiring
PayTel	PayTel SA	acquiring
Pekao CK	Centrum Kart S.A.	acquiring
PEP	CRE Polskie ePłatności S.A.	acquiring
Polcard	First Data Polska S.A.	acquiring
SIX Pay	SIX Payment Services (Europe) S.A.	acquiring
Dotpay	Dotpay S.A.	aggregator / gateway
eCard	eCard S.A.	aggregator / gateway
PayU	PayU S.A.	aggregator / gateway
Przelewy24	PayPro SA, DialCom24 Sp. z o.o.	aggregator / gateway
tpay	Krajowy Integrator Płatności S.A.	aggregator / gateway
PaySafeCard, Ukash	Prepaid Services Company Ltd.	cash vouchers
Santander Bank	Santander Bank S.A.	HCE-issuer bank
eurobank	Euro Bank S.A.	HCE-issuer bank
Getin bank	Getin Noble Bank S.A.	HCE-issuer bank
Millennium HCE	Bank Millennium SA	HCE-issuer bank
Pekao HCE	Bank Polska Kasa Opieki SA	HCE-issuer bank
PKO HCE	PKO Bank Polski SA	HCE-issuer bank
SGB HCE	SGB-Bank S.A.	HCE-issuer bank
BLIK	Polski Standard Płatności Sp. z o.o.	mobile payments
CallPay	CallPay Sp. z o.o.	mobile payments
iKasa	ICP Polska Sp. z o.o.	mobile payments
moBilet	Mobile Traffic DATA Sp. z o.o.	mobile payments
mPay	mPay S.A.	mobile payments
PeoPay	Bank Pekao S.A.	mobile payments
SkyCash	SkyCash Poland S.A.	mobile payments
FerPay	Ferratum Bank p.l.c.	online lending
Monedo	Kreditech	online lending
Homepay	Homepay Sp. z o.o.	SMS premium
HotPay	Leaders sp. z o.o. sp. k.	SMS premium
JustPay.pl	Digital Virgo S.A.	SMS premium
SimPay.pl	Simpay Krzysztof Wojdak	SMS premium
Apple Pay	Apple Pay	mobile payments
Samsung Pay	Samsung Pay	mobile payments
Google Pay	Google Pay	mobile payments
Garmin Pay	Garmin Pay	mobile payments
Fitbit Pay	Fitbit Pay	mobile payments
MasterPass	MasterPass	wallets
PayPal	PayPal	wallets
Skrill	Skrill	wallets
Visa Checkout	Visa Checkout	wallets
uPaid wallet	uPaid Sp. z o.o.	wallets
Blue Media	Blue Media S.A.	ACH
KIR	Krajowa Izba Rozliczeniowa S.A.	ACH
Elavon	Elavon Financial Services	acquiring
eService	eservice Sp. z o.o.	acquiring

Source: Inteliace Research

# Notes on methodology

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## FX rates:

- As a general rule all “end of year” balances like: assets, deposits, loans and similar volumes have been converted from the local currency into Euro using **end of year** exchange rate
- All results achieved during a period of time like: profits, revenues, new sales etc. have been converted from the local currency into Euro using **average** exchange rate
- Exchange rates used in the report:

EUR/PLN	2011	2012	2013	2014	2015	2016	2017	18H1
End of period	4.42	4.09	4.15	4.26	4.26	4.43	4.17	4.36
Average	4.12	4.19	4.20	4.19	4.18	4.37	4.26	4.22

Source: NBP

## Estimates and Forecasts:

- In some cases, recent or verified data was not available. Therefore, necessary short-term estimations have been done to fill the gaps. Estimates are always indicated with the letter “E”
- When preparing forecasts “F” we have built models using latest observed trends, available forecasts of main economic indicators, seasonal changes observed in the past and other specific factors considered important.

## Multiple sources:

- In some cases multiple sources of similar data exist. In this situation we always try to select the most appropriate one /in our view/. The source is indicated in the footer area of each slide. Nevertheless in specific cases, before interpreting the data it is recommended to get a good understanding on the methodology of data collection by contacting the authors.



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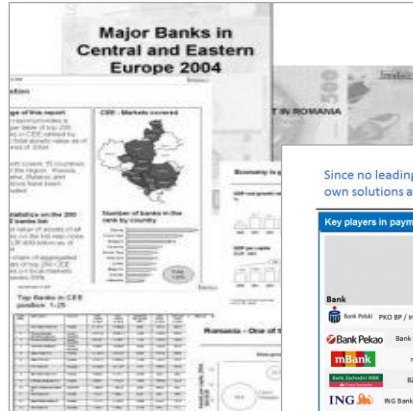
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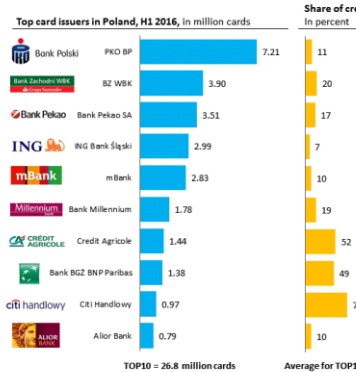


Since no leading market standard has been set yet, banks bet on partnerships and develop own solutions at the same time

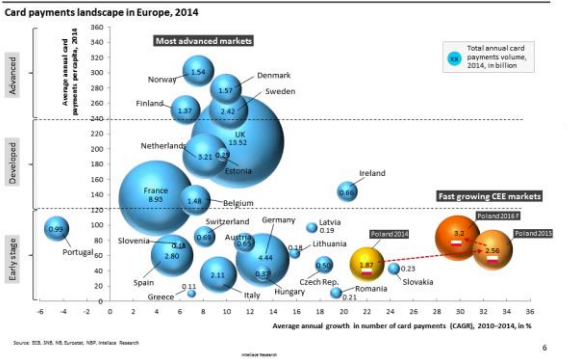
Key players in payment applications/wallets, 2016

Bank	Number of retail accounts (ROA) As of Q3 2016 in million	Key payment applications (mobile, wallets, etc.)					
		HCE Proprietary HCE*	blisk BLIK	pay Android Pay	MasterPass	Visa Checkout	Other
Bank Pekao / Intergo	5.8	✓	✓	✗	✓**	○	
Bank Pekao	3.5	✓	✗	✗	✓***	○	
mBank	3.2	✗	✓	✗	✓**	○	
BZ WBK	3.1	✓	✓	✓	✓	○	
ING Bank Śląski	2.6	✗	✓	✗	✓**	○	

PKO Bank Polski is by far the largest card issuer in Poland



The volume of card payments in Poland is expected to exceed 3 billion in 2016



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