

# BANKING MARKET IN POLAND, 2023-2025

## CEE BANKING SERIES



by Inteliace Research  
November 2023

Version: 23.b

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Data publikacji / Publication date: 11/2023

Liczba stron/ Number of pages: 104

Język/Language: Angielski / English

Sposób dostarczenia/Delivery: Electronic ( .pdf file )

Cena / Price:

2500 EUR (clients outside Poland)

or

11500 PLN + 23% VAT\*

Client's Details / Dane Zamawiającego: (Dane na potrzeby wystawienia faktury)

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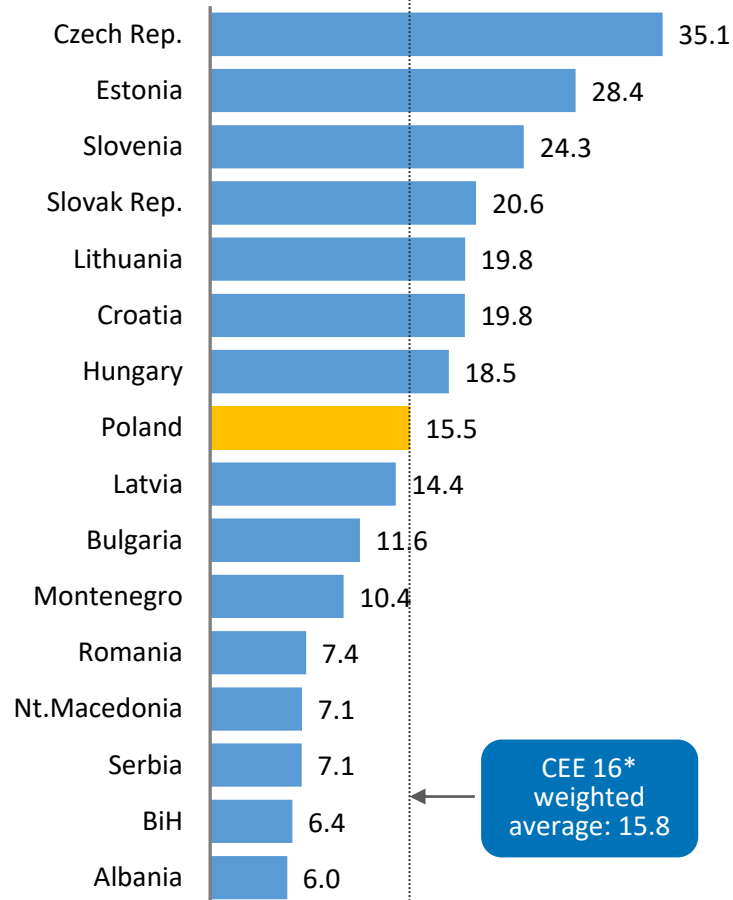
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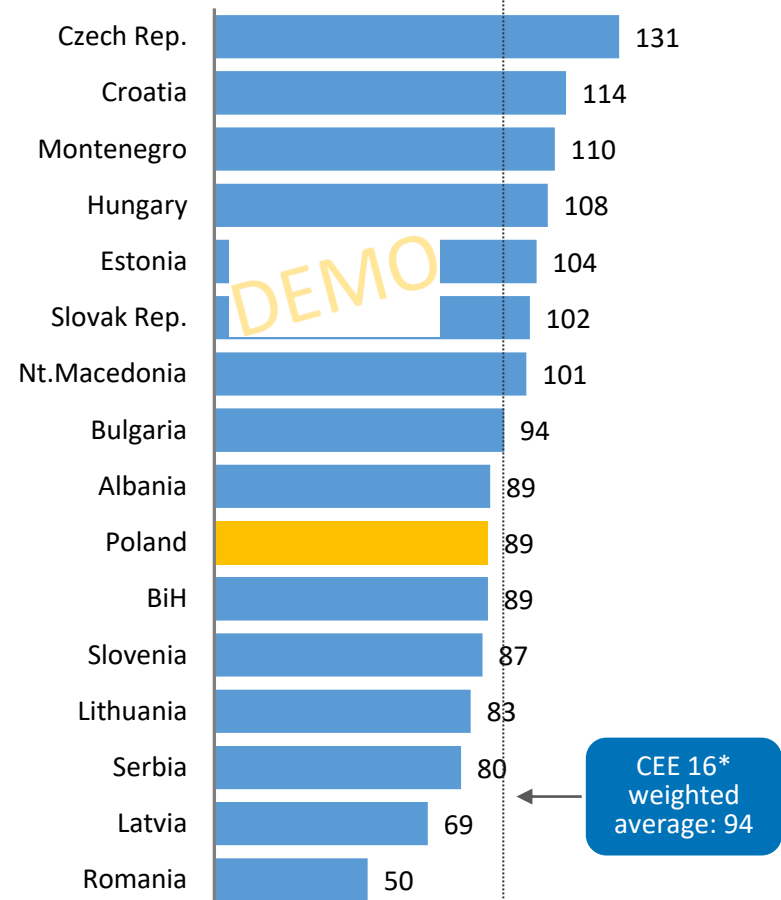
## **9. Notes on methodology**

# Banking asset penetration in Poland is close to CEE averages

**Banking assets/capita, 2022**  
EUR `000



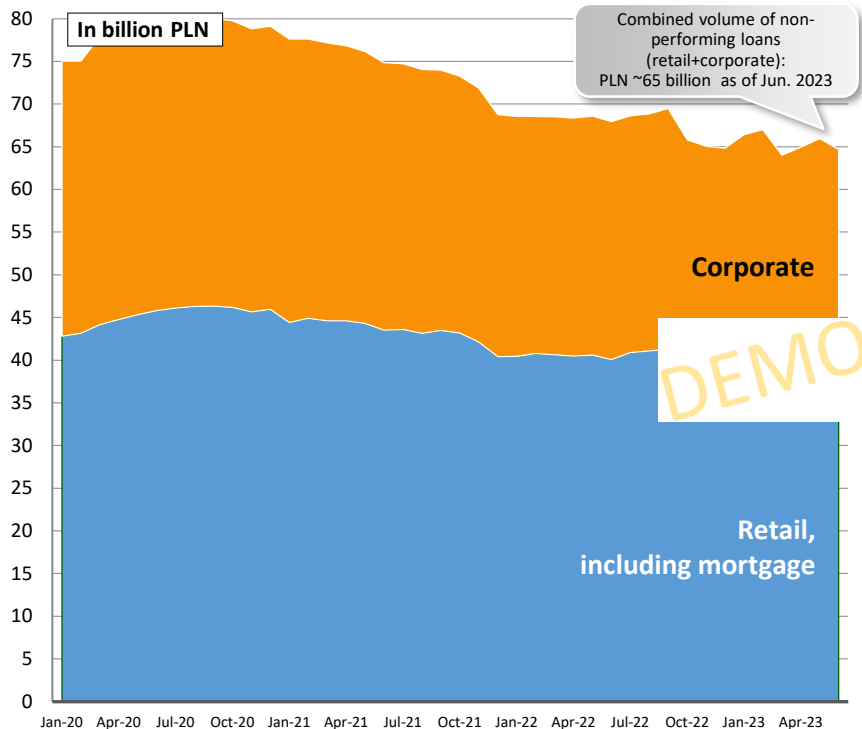
**Banking assets/GDP, 2022**  
percent



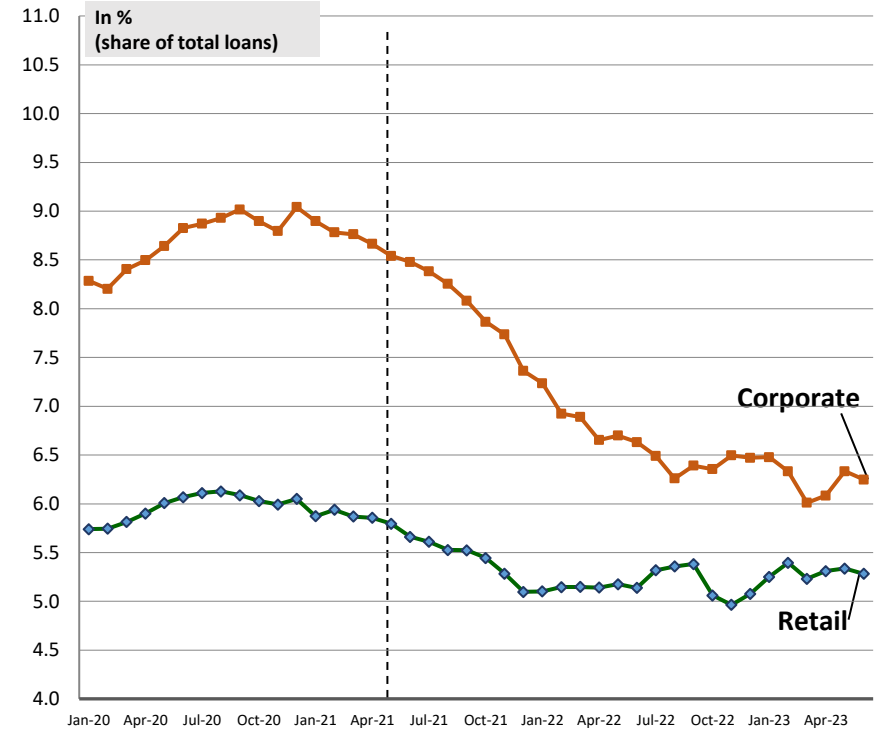
\* Major 16 CEE countries. Russia, Belarus, Ukraine, Moldova and Kosovo not included  
Source: Central banks, Eurostat, Inteliace Research

# NPL ratios\* have stabilized since 2022. A worsening in credit quality might be expected in late 2023/2024 due to ageing lending stock and lower new sales

**Non performing loans (value) by client segment, 2020-Jun 2023**  
In PLN billion



**Share of NPL\* in total loans by client segment, 2020-Jun 2023**  
In percent



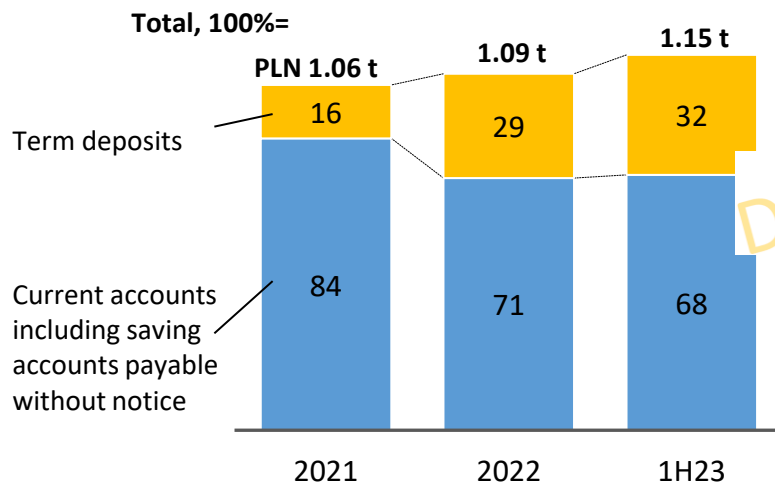
The level of non-performing loans has stabilized recently. However, a moderate increase in NPL ratios is likely to occur through late 2023 and in 2024 due to lower sales of new loans and ageing existing portfolios

\* NPL: non-performing loans vs. total lending portfolios  
Source: NBP, KNF, Inteliace Research

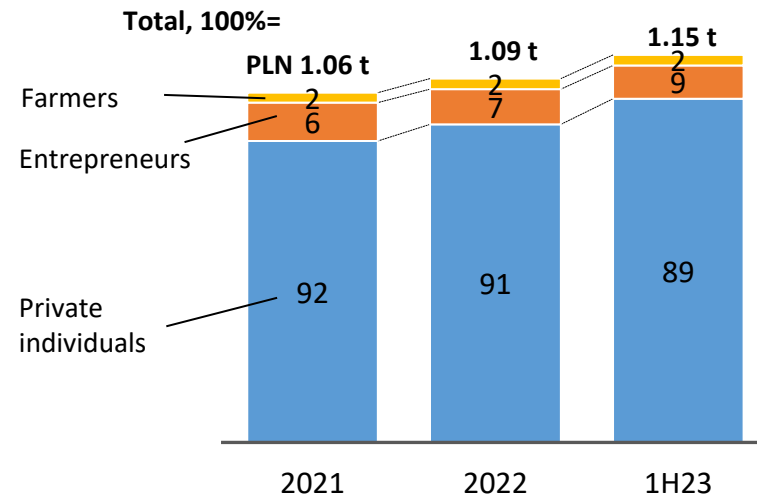
# A recent surge in interest rates has encouraged customers to shift funds from current accounts into term deposits

NBP\* DATA

**Deposits\* of households by maturity, 2021-1H23**  
In percent, totals in PLN trillion



**Deposits\* of households by sub-segments, 2021-1H23**  
In percent



- Nearly 70% of all deposits are held in current accounts but the share of current accounts is falling while the share of term deposits expands
- Nearly 11% of household deposits comes from individual entrepreneurs: farmers or other

\* A slight discrepancy between NBP and KNF figures exists

\*\* Compound Annual Growth Rate

Source: NBP, Inteliace Research

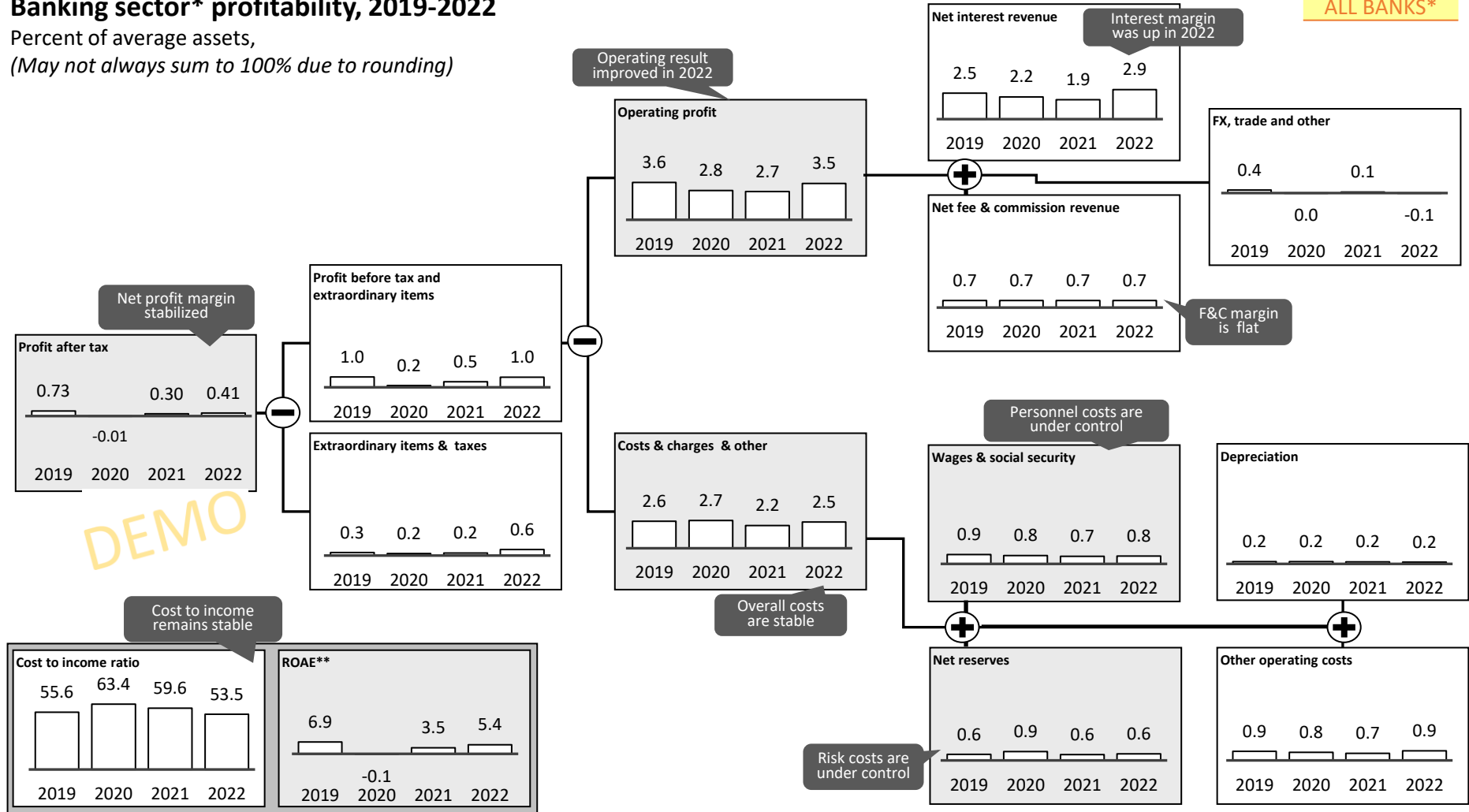


# Profitability of banks has improved in 2022

## Banking sector\* profitability, 2019-2022

Percent of average assets,  
(May not always sum to 100% due to rounding)

ALL BANKS\*



\* Including cooperative sector and foreign bank branches operating in Poland

\*\* Based on average equity

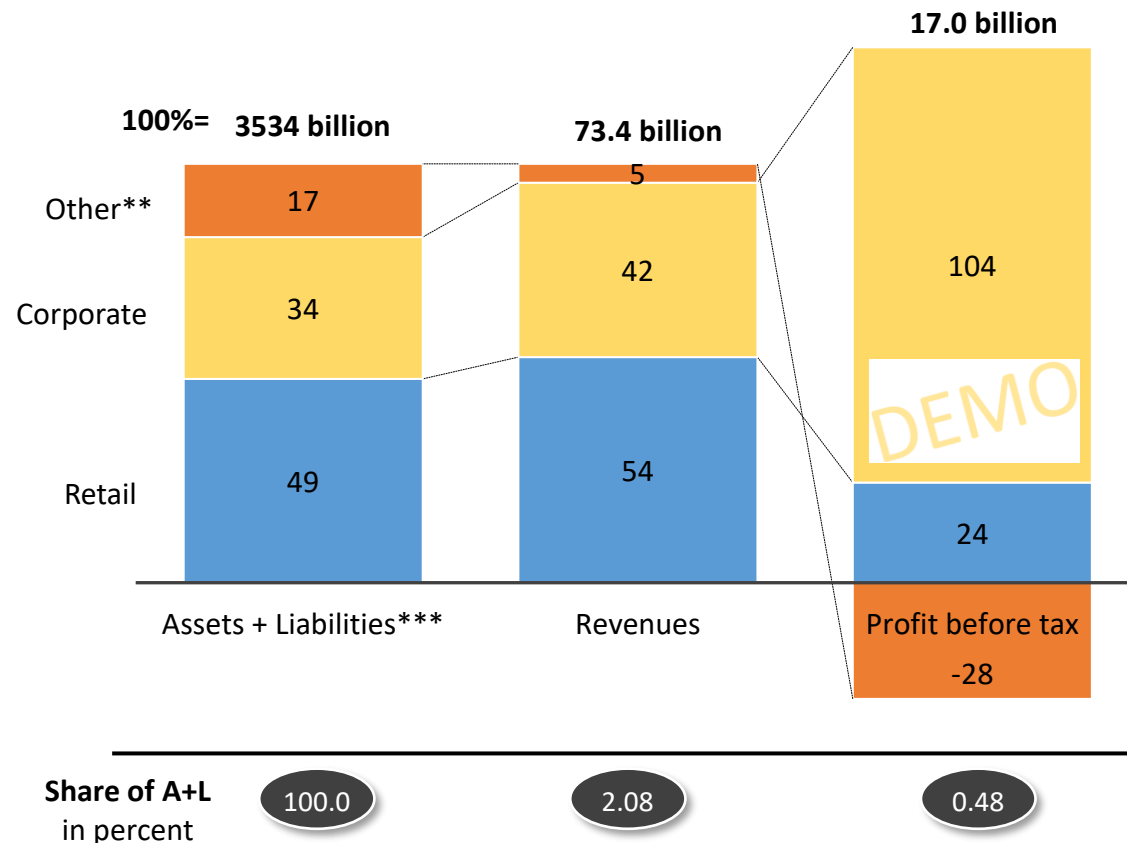
Source: KNF, NBP, Inteliace Research

# Retail banking business accounts for ca. 49% of volumes, 54% of revenues and just a fraction of profits at major banks in Poland

## Profit pool by client segment for sample of 9 commercial banks\*, 2022

Percent, totals in PLN billion

SAMPLE OF  
9 BANKS\*



### Banks included in the sample:

- PKO
- Pekao
- ING
- mBank
- Citibank
- Millennium
- Alior
- Santander
- BNP Paribas

### SAMPLE (% of total market):

- 65% assets & liabilities

\* Sample of 9 large banks (PKO, Pekao, ING, mBank, Citibank, Millennium, Alior, Santander, BNP Paribas)

\*\* Including treasury operations, foreign exchange, government bonds, securities, own investments and other unallocated items

\*\*\* Sum of assets and liabilities allocated to corresponding segments

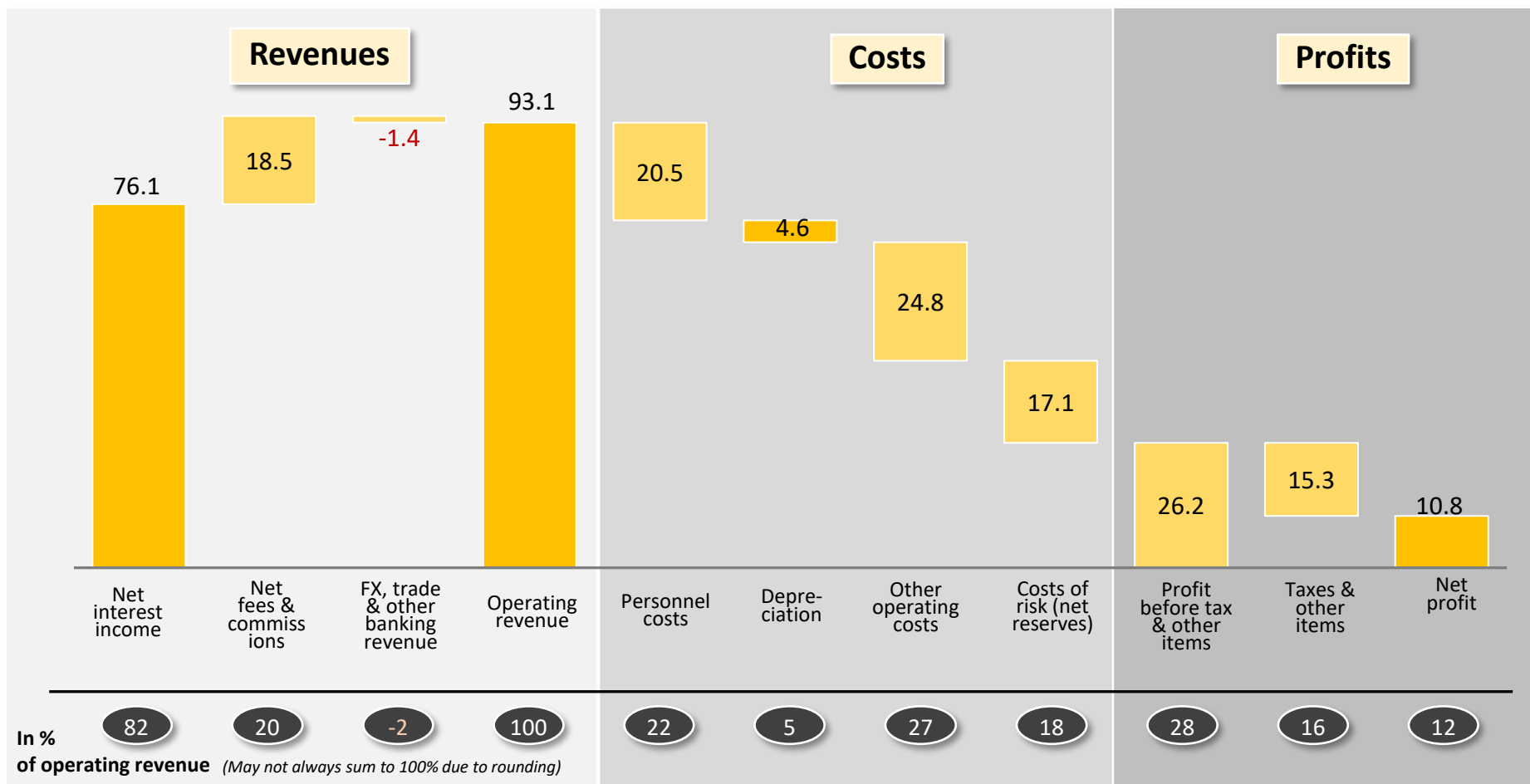
Source: Banks, KNF, Inteliace Research

# In 2022, banks recorded over PLN 93 billion in total revenues and earned nearly PLN 11 billion (EUR 2.4 billion) in net profits

## All banks - Profit and loss accounts, 2022

PLN billion

2022 ALL BANKS\*



\* Including foreign bank branches operating in Poland and cooperative banks

Source: NBP, KNF, GUS, 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	2015	2016	2017	2018	2019	2020	2021	2022	1H23
Average	4.18	4.36	4.26	4.26	4.30	4.44	4.57	4.69	4.63
End of period	4.26	4.42	4.17	4.30	4.26	4.61	4.60	4.69	4.45

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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Through our customized research services we help our clients to better understand their customers, competitors and overall market dynamics.

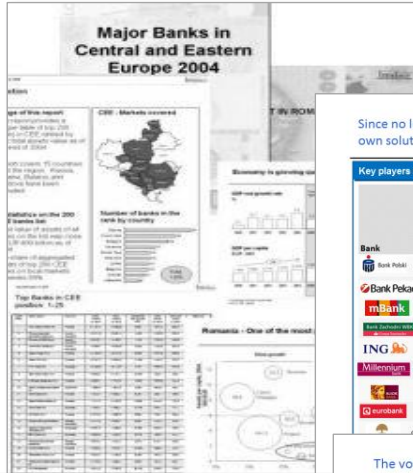
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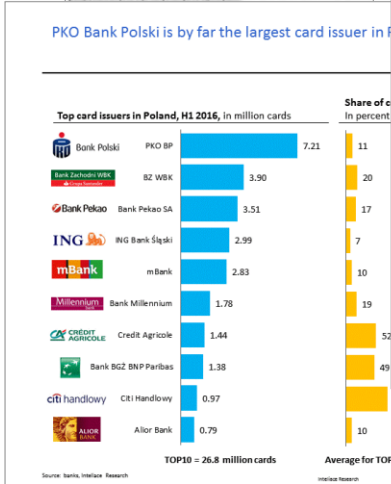
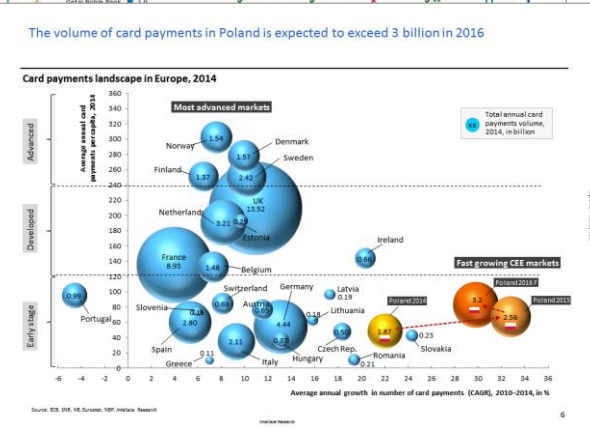
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Since no leading market standard has been set yet, banks bet on partnerships and develop own solutions at the same time

**Key players in payment applications/wallets, 2016**

Bank	Number of retail accounts (POA) As of Q3 2016 In million	Key payment applications (mobile, wallets, etc.)					
		HCE	Proprietary HCE*	BLIK	Android Pay	MasterPass	VISA Checkout
Bank Inet / PKO BP / Intaligo	6.8	✓	✓	✓	✓	✓	○
Bank Pekao	3.8	✓	✓	✗	✗	✓	○
mBank	3.2	✓	✓	✗	✗	✓	○
BZ WBK	3.1	✓	✓	✓	✓	✓	○
ING Bank Śląski	2.6	✗	✓	✓	✗	✓	○
Bank Millennium	1.9	✓	✓	✓	✓	✓	○
Altor Bank	1.4	✗	✓	✗	✓	✓	○
Eurobank	1.4	✓	✓	✗	✓	✓	○



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### 2023

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- Bank outlets in Poland - Database '23
- Insurance Market in Poland '23
- Top 200 CEE banks '23

### 2022

- Mortgage Lending in Poland '22
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