

PAYMENTS IN POLAND, 2016

Selected pages from the original report



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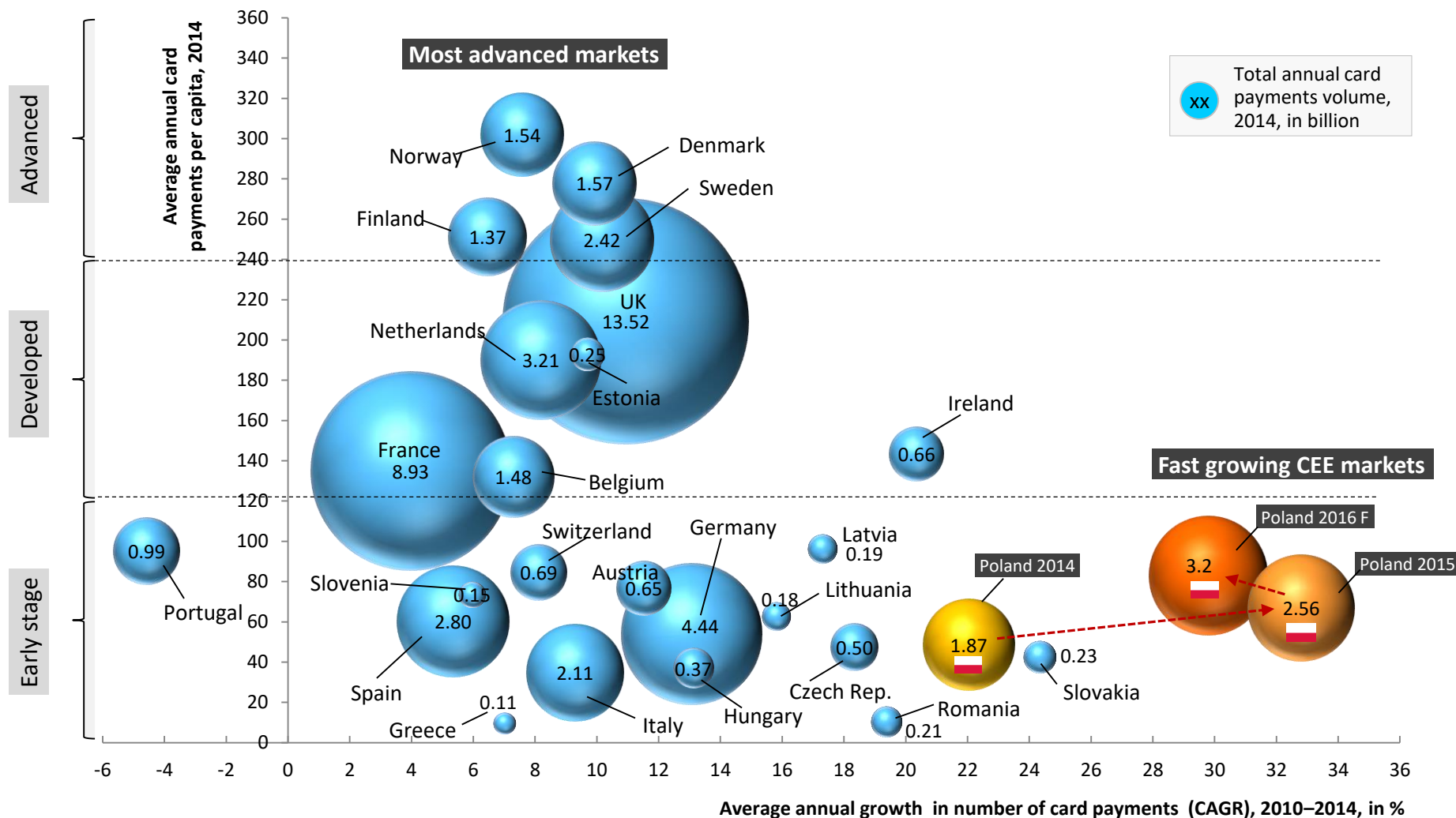
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The volume of card payments in Poland is expected to exceed 3 billion in 2016

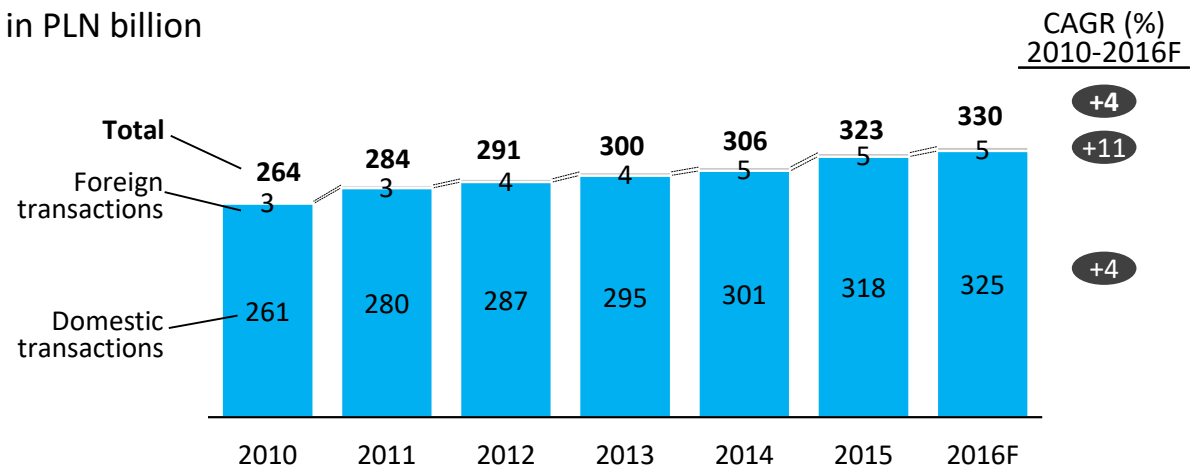
Card payments landscape in Europe, 2014



ATM withdrawals increase despite growing role of cashless payments

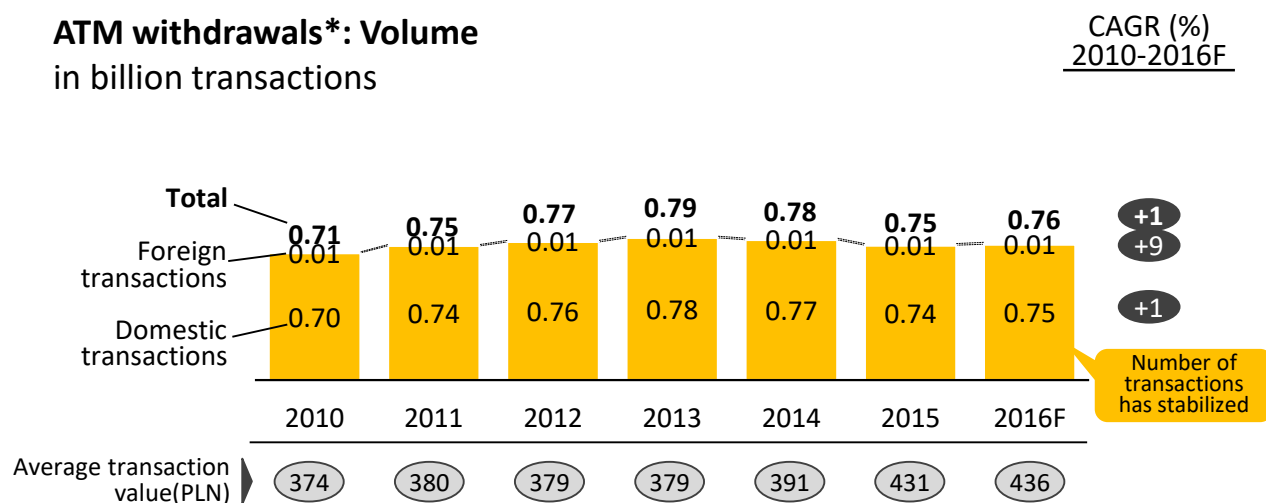
ATM withdrawals*: Value

in PLN billion



ATM withdrawals*: Volume

in billion transactions

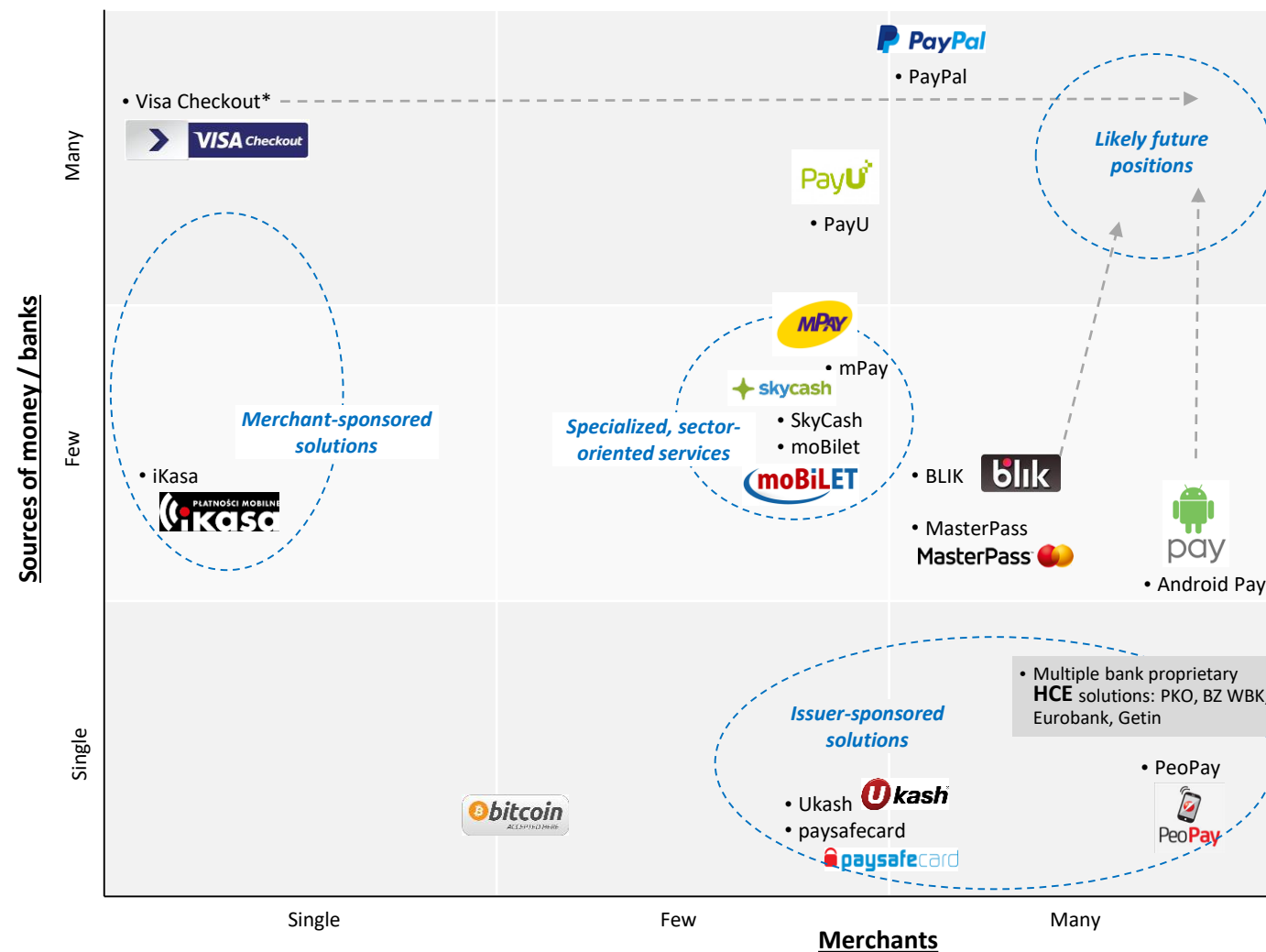


- The value of cash withdrawals continues to increase, however, at a decelerating rate.
- At the same time, the volume of cash transactions has stabilized.
- The average value of cash withdrawals is growing

* Card withdrawals with cards issued in Poland. Domestic and foreign transactions included
Source: NBP, Inteliace Research

Competition in retail payments in Poland has intensified

Poland - retail payment services landscape, 2016












- There is already a significant number of payment applications competing for clients in Poland.
- The key battle that will decide the future shape of Poland's payment market will likely play out between BLIK (ACH-based model) and various digital wallets (payment cards-based models).
- Specialized and merchant/issuer sponsored services are likely to occupy market niches.

* For the moment no merchants in Poland accept Visa Checkout.
Source: Inteliace Research

While blockchain technology is slowly getting foothold in Poland, payment & merchant applications are still quite rare.



Bitcoin exchanges			
Banner	Company name	Transaction size	Remarks
 BitBay	BitBay.net	Big >1000tx per day	Attracting by innovations / flexibility and strong authentication
 BitMarket.pl	bitmarket.pl	Big >1000tx per day	Service with the highest number of bid/ask quotes
 Bitcurex	<i>bitcurex.com</i>	<i>Suspended operations</i>	<i>Suspended operations</i>
 BitMarket24	bitmarket24.pl	Mid size >100tx per day	Fast cash out/cash in
 Bitmaszyna	Bitmaszyna.pl	Mid size >100tx per day	Offering trading in BTC and LTC. Exclusive graphical interface
 DGT MARKET	dgtmarket.com	Mid size >100tx per day	New entrant, promotional rates for BTC trading
 nevbit	nevbit.com	Small <10tx per day	Smaller player
<i>Other: bitfox.pl, btcduke.com, flyingatom.com, simplecoin.pl, Cryptoins.com, Bitstar, 4coins, etc.</i>		Small	Smaller, specialized players

Bitcoin acquirers		
Banner	Company name	Remarks
 InPay	InPay.pl	InPay is a local BTC acquirer. Company offers BTC trading, ATM cash out and mobile top-up.
 bitbe.co <small>bitcoin accepted here</small>	Bitbe.co	A new service to the market, planning to be the leading processor for merchants in Poland.
<i>Other foreign processors</i>		

Merchants	
<ul style="list-style-type: none"> • Bitcoin acceptance in Poland is still on a very early stage. It is a niche for passionate rather than an important source of new revenues/clients. • It can be estimated that there are ca. hundred merchants openly accepting bitcoin in Poland. • Merchants accepting bitcoin are mostly small, local service businesses, including: catering, transportation, IT/ hardware/ software stores, educational and other services. • Lack of accepting, settlement and security standards as well as still limited number of clients willing to pay with bitcoins prevent a wider application of bitcoin. 	

- Bitcoin trading is well developed in Poland with multiple exchanges competing for investors.
- However, unexpected exchanges failures and suspension of operations is still a threat to bitcoin traders.
- There are few dedicated bitcoin processors / merchant acquirers operating in the country.
- The number of merchants accepting bitcoin is still very limited.

Mobile payment schemes (1/2): BLIK



Overview

Company name: Polski Standard Płatności Sp. z o.o.
Headquarters: ul. Cypryjska 72, 02-761 Warszawa, Poland
Scheme name: BLIK
Main site: <http://blikmobile.pl/>
Start date: 2014
Founding partners: PKO + other 5 banks + ACH (KIR)
Current Partners: Alior bank, Bank Millennium, BZ WBK, ING bank, mBank, PKO Bank Polski, Getin Bank, Orange Finance

General type: Universal mobile payment scheme

Funding source: Bank account via ACH – KIR (real time settlements)

Functionalities:

Payments in online stores	✓
Payments in B&M stores	✓
P2P mobile payments	✓
ATM cardless cash withdrawals	✓
GSM top-up	✗
Other (virtual checks, merchant services)	✓

Users: ~2 million users (registered apps as of H1 2016)
Merchants: ~157k B&M* stores, 36k online merchants, 14k ATMs, as of H1 2016

Transactions (TTM ending Q2 2016):

- TX Volume: 2.87 million transactions
- TX Value: PLN 710 million
- TX volume by type: (Q2 16): 65% ATM withdrawals, 25% online store payments, 8% b&m store payments, 3% P2P payments.

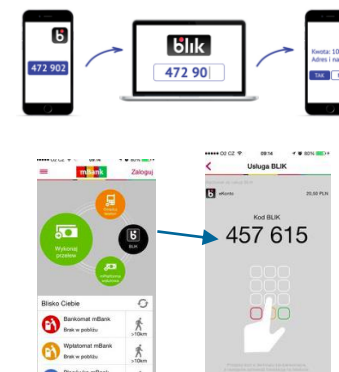
Description

Background & operations:

- BLIK is a mobile payment scheme developed by the largest bank in Poland – PKO Bank Polski. Scheme has been initially offered to own clients within the IKO mobile app. However, from the beginning, PKO has been looking for other partners to join the system in order to grow beyond own client base.
- Shortly after the launch, five other major banks as well as the incumbent ACH - KIR joined the project. In order to make the project universal and accessible to every interested party, an independent company and system operator – PSP was created and a new name – BLIK was announced in 2015. In 2016, BLIK was accessed by another partner – Getin Noble Bank.
- Since 2016, a significant acceleration in BLIK transactions could be observed, which has been an effect of promotional activities and growing awareness of clients.

Payment mechanics:

- The key feature of BLIK system are six-digit, single transaction codes generated in the mobile app.
- Codes are entered manually by the client in either: POS terminal, ATM or at online checkout.
- After the code has been entered in terminal, the mobile app asks for transaction confirmation. Transaction gets executed if the client confirms it. Alternatively, a one-click process has been developed where client does not have to confirm every transaction, This however requires adding the merchant by the client to a white list prior to the transaction.
- Although BLIK transactions have been growing fast, the current transaction process, with the need of manually entering the six-digit code, and confirming it with a mobile app, working in an online mode, prevents a wider adoption of BLIK in traditional stores. Contactless payment cards and HCE NFC payments are far more convenient from the perspective of the client.



Recent events and future plans:

- The current BLIK scheme mechanics favours ATM withdrawals and online payments.
- Since 2016, PSP has been rumoured to work on contactless BLIK payments in POS terminals. However, property rights/patents used in POS terminal prevent 3rd party access eliminating card organizations.
- Since Nov. 2016, one-click payment option in online stores has been introduced by BLIK and Bank Millennium.
- BLIK payment option was adopted by PayU and Allegro in Dec. 2016.

*B&M – brick and mortar

Source: Company, industry press, interviews, NBP, Inteliace Research

Firms mentioned in the report

Brand/banner	Company name	Type	Address
Blue Media	Blue Media S.A.	ACH	Powstańców Warszawy 6, 81-718 Sopot
KIR	Krajowa Izba Rozliczeniowa S.A.	ACH	ul. Pileckiego 65, 02-781 Warszawa
Elavon	Elavon Financial Services	acquiring	ul. Puławska 17, Warszawa 02-515 Polska
ePAY Card	ePay Card Sp. z o.o.	acquiring	ul. Jagiellońska 34, 05-120 Legionowo
eService	eservice Sp. z o.o.	acquiring	ul. Jana Olbracht 94, 01-102 Warszawa
Espago	PSP Polska Sp. z o.o.	acquiring	ul. Kanderska 15, 60-327 Poznań
IT Card	IT Card CTP S.A.	acquiring	ul. Jutrzenki 139, 02-231 Warszawa
PaySquare	PaySquare SE Spółka Europejska Oddział w Polsce	acquiring	ul. Puławska 182, 02-670 Warszawa
PayTel	PayTel SA	acquiring	ul. Jutrzenki 118, 02-230 Warszawa
Pekao CK	Centrum Kart S.A.	acquiring	ul. Gieldowa 5, 01-211 Warszawa
PEP	CRE Polskie ePłatności S.A.	acquiring	Tajęcina 113, 36-002 Jasionka
Planet Pay	Planet Pay Sp. z o.o.	acquiring	ul. Jutrzenki 139, 02-231 Warszawa
Polcard	First Data Polska S.A.	acquiring	Al. Jerozolimskie 92, 00-807 Warszawa
REVO Raiffeisen	EVO Payments International Sp. z o.o.	acquiring	ul. Jana Olbracht 94, 01-102 Warszawa
SIX Pay	SIX Payment Services (Europe) S.A.	acquiring	Prosta 68, 00-838 Warszawa
SumUp	SumUp Payments Limited	acquiring	32 - 34 Great Marlborough St, W1F 7JB, London, UK
Topcard	TopCard Sp. z o.o.	acquiring	ul. Starolecka 7, 61-361 Poznań
Dotpay	Dotpay S.A.	aggregator	ul. Wielicka 72, 30-552 Kraków
eCard	eCard S.A.	aggregator	ul. Arkońska 11, Gdańsk 80-387
PayU	PayU S.A.	aggregator	ul. Grunwaldzka 182, 60-166 Poznań
Przelewy24	PayPro SA, DialCom24 Sp. z o.o.	aggregator	ul. Kanderska 15, 60-327 Poznań
tpay	Krajowy Integrator Płatności S.A.	aggregator	ul. Św. Marcin 73/6, 61-808 Poznań
Bitbe.co Ltd	Bitbe.co Ltd	BTC acquiring	71 Sutton Hall Road, Hounslow, London TW5 0PX, UK
InPay	InPay S.A.	BTC acquiring	ul. Mokotowska 1, 00-640 Warszawa
4coins.pl	12 M Sp. z o.o.	BTC exchange	ul. Józefa Kustronia 51, 30-433 Kraków
BitBay.net	BitBay Sp. z o.o.	BTC exchange	ul. Zaczęte 2/6, 40-025 Katowice
bitcurex.com	Digital Future LLC Sp. z O.O.	BTC exchange	ul. Andrzeja Struga 78, 90-557 Łódź
bitfox.pl	Bitfox Sp. z o.o.	BTC exchange	Os. Wichrowe Wzgórze 25 c, 61-697 Poznań
bitmarket.pl	Michau Enterprises Limited	BTC exchange	Chytron 26, Office 21, 1075 Nikozja, Cypr
bitmarket24.pl	BitMarket24 Sp. z o.o.	BTC exchange	ul. Św. Filipa 23 /4, 31-150 Kraków
Bitmaszyna.pl	Androbayt Sp. z o.o.	BTC exchange	ul. Słowackiego 12, 87-800 Włocławek
Bitstar	bitstar sp. z o.o.	BTC exchange	ul. Włodarska 33/5, 02-384 Warszawa
btcduke.com	BTCDuke sp. z o.o.	BTC exchange	ul. Pod Krzywą Wieżą 14, 87-100 Toruń
Cryptoins.com	Cryptoins.com Ltd	BTC exchange	IH 24 HOLBORN VIADUCT, EC1A 2BN London, UK
digitmarket.com	Digital Market Sp. z o.o.	BTC exchange	ul. Łębarska 3B 80-386 Gdańsk
flyngatom.com	FlyingAtom Sp. z o.o.	BTC exchange	ul. Złota 59, 14 piętro, 00-120 Warszawa
nevbil.com	Nevonet Sp. z o.o.	BTC exchange	ul. Koflągata 47/43, 81-333 Gdynia
simplecoin.pl	Simple Coin s.r.o.	BTC exchange	Na Maninách 876/7, Praha Holešovice, 170 00, CZ
PaySafeCard, Ukash	Prepaid Services Company Ltd.	cash vouchers	25 Canada Square, London E14 5LQ, UK
BZ WBK	Bank Zachodni WBK SA	HCE-issuer bank	Rynek 9/11, 50-950 Wrocław
eurobank	Euro Bank S.A.	HCE-issuer bank	ul. Świętego Mikołaja 72, 50-126 Wrocław
Getin bank	Getin Noble Bank S.A.	HCE-issuer bank	ul. Przykopowa 33, 01-208 Warszawa
Millennium HCE	Bank Millennium SA	HCE-issuer bank	ul. Stanisława Żarnka 2A, 02-593 Warszawa
Pekao HCE	Bank Polska Kasa Opieki SA	HCE-issuer bank	ul. Grzybowska 53/57, 00-950 Warszawa
PKO HCE	PKO Bank Polski SA	HCE-issuer bank	ul. Puławska 15, 02-515 Warszawa
SGB HCE	SGB-Bank S.A.	HCE-issuer bank	ul. Szarych Szeregów 23A, 60-462 Poznań
BLIK	Polski Standard Płatności Sp. z o.o.	mobile payments	ul. Cyprijska 72, 02-761 Warszawa
CallPay	CallPay Sp. z o.o.	mobile payments	ul. A. Baraniaka 88 B, 61-131 Poznań
iKasa	ICP Polska Sp. z o.o.	mobile payments	ul. Puławska 99a, 02-595 Warszawa
moBilet	Mobile Traffic DATA Sp. z o.o.	mobile payments	ul. Druzbickiego 11, 61-693 Poznań
mPay	mPay S.A.	mobile payments	ul. Grochowska 21a, 04-186 Warszawa
PeoPay	Bank Pekao S.A.	mobile payments	ul. Grzybowska 53/57, 00-950 Warszawa
SkyCash	SkyCash Poland S.A.	mobile payments	Rondo ONZ 1 p. 29, 00-124 Warszawa
FerPay	Ferratum Bank p.l.c.	online lending	TBC Level 6, 14 High Str. 1551 Sliema, MALTA
Homepay	Homepay Sp. z o.o.	SMS premium	ul. Grzybowska 87, 00-844 Warszawa
HotPay	Leaders sp. z o.o. sp. k.	SMS premium	ul. Wadowicka 8a, 30-415 Kraków
JustPay.pl	Digital Virgo S.A.	SMS premium	ul. Infancka 4, 00-189 Warsaw
SimPay.pl	Simpay Krzysztof Wojdak	SMS premium	ul. Łębarska 3b, 80-386 Gdańsk
uPaid wallet	uPaid Sp. z o.o.	wallets	ul. Hłaski 10 A, 01-689 Warszawa
Android Pay	Android Pay	wallets	n/a
MasterPass	MasterPass	wallets	n/a
PayPal	PayPal	wallets	n/a
Skrill	Skrill	wallets	n/a
Visa Checkout	Visa Checkout	wallets	n/a

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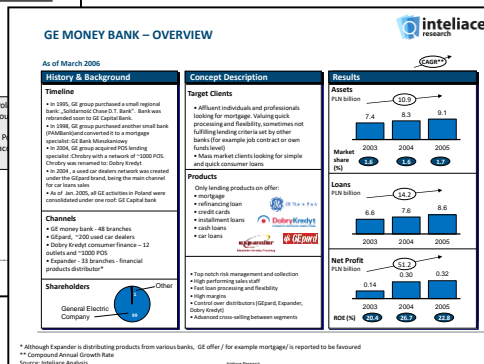
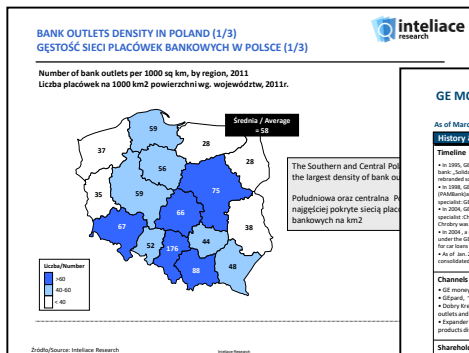
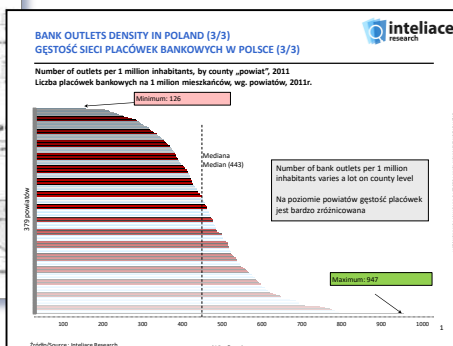
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