

Payments in Poland, 2017



Selected pages from the original report

by Inteliace Research
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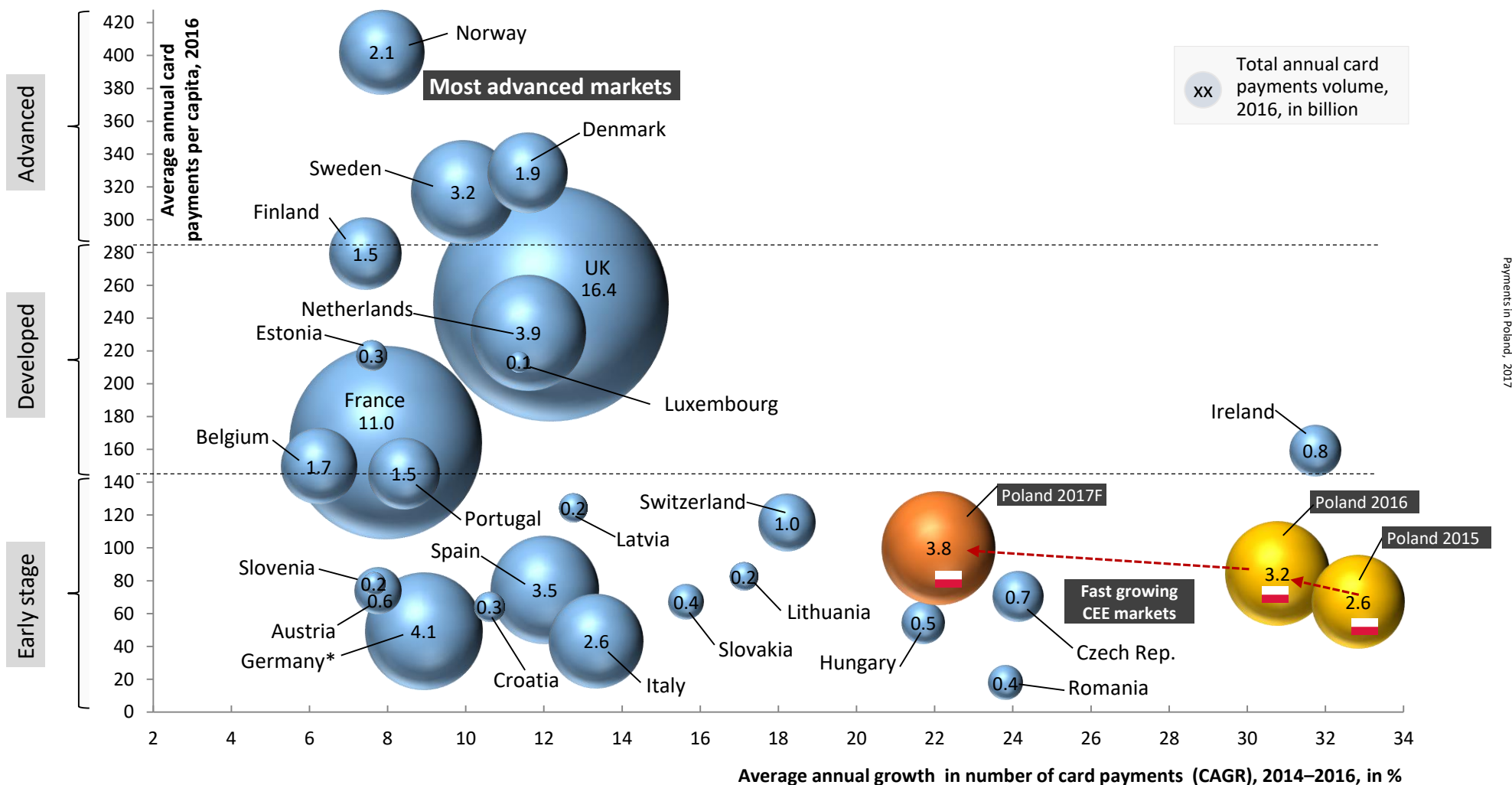
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The explosive growth in card payments in Poland is expected to decelerate in 2017

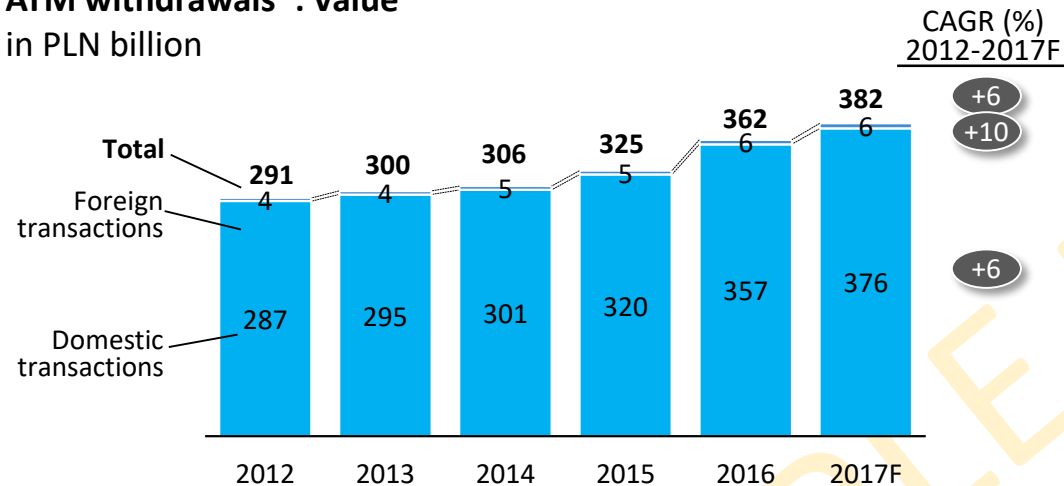
Card payments in Poland vs. Europe, 2014-2016



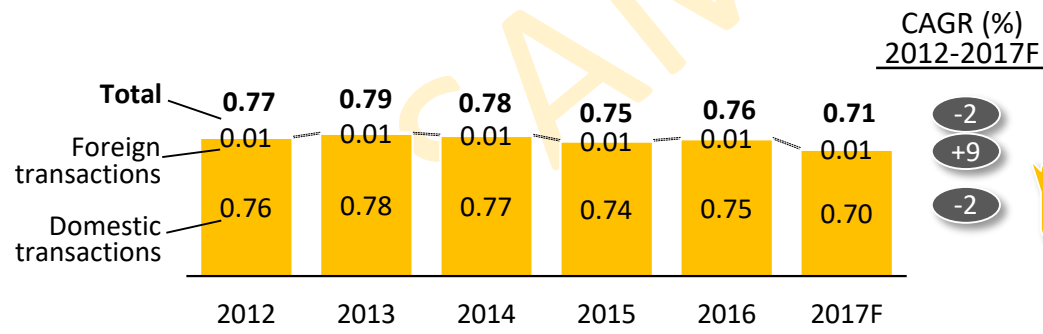
* Local payment scheme existing and using alternative solutions e.g. Direct Debit
Source: ECB, SNB, NB, Eurostat, NBP, Inteliace Research

While the value of ATM withdrawals keeps increasing, the number of transactions is heading lower

ATM withdrawals*: Value in PLN billion



ATM withdrawals*: Volume in billion transactions



Average transaction value(PLN) 379 379 391 432 474 540

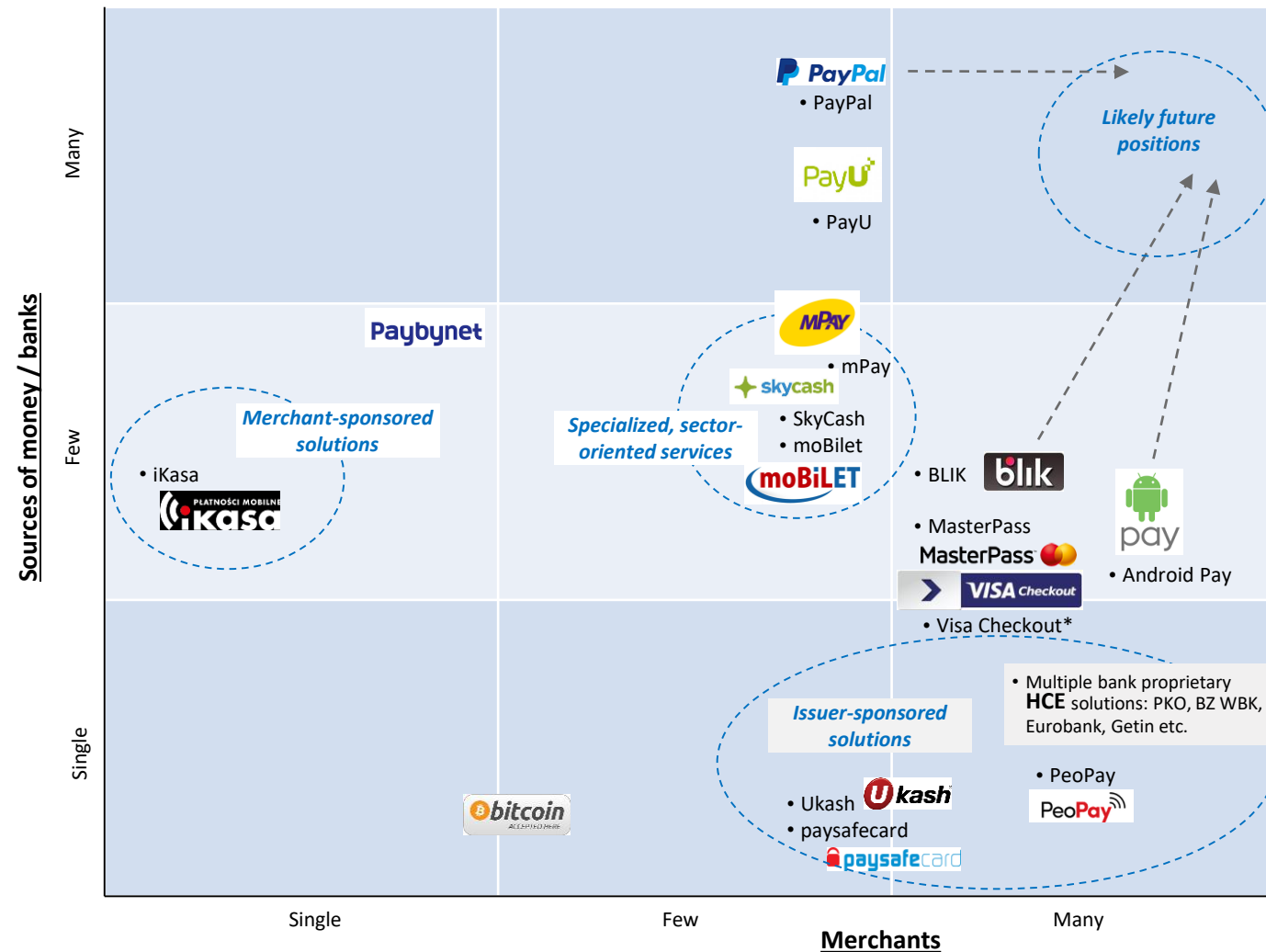
- The value of cash withdrawals continues to increase, however, at a decelerating rate.
- At the same time, the volume of cash transactions has been falling.
- The average value of a single cash withdrawal is growing.

Number of cash transactions is likely to fall in future

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

Competition in retail payments in Poland has intensified. The race for merchant relationships is on

Poland - retail payment services landscape, 2017











- 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 ACH-based models (BLIK) 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

The first card-based billing systems in public transport have been tested in Poland. Major cities to follow



Examples of adoption of payment cards in public transport services, 2016-2017

Town	IT partner	Overview
 Świebodzice	MCX Systems 	<ul style="list-style-type: none"> • First payment card based, ticketless solution in Poland • Pilot started in Jan. 2016 • A single fare paid by tapping a contactless payment card on a reader
 Rybnik	MCX Systems 	<ul style="list-style-type: none"> • Pilot started in 2017 • First implementation of check in / check out model • A fare paid by tapping a contactless payment card on a reader while getting on and off the bus in order to determine the amount due
 Jaworzno	Mennica Polska 	<ul style="list-style-type: none"> • Pilot started in Jan. 2017 • In order to pay, client selects the desired ticket first and then taps the card – a solution to serve multiple types of tickets available
 Łódź	Mennica Polska 	<ul style="list-style-type: none"> • Pilot started in Sept. 2017 in selected trams • check in / check out model
Wrocław, Warszawa, other	<i>Currently in the planning phase. Selection of system and tender upcoming</i>	

- So far, only smaller cities have tested/adopted ticketless card payments in public transport
- However, the relatively low usage and high costs of the technology prevent adoption in smaller cities
- A breakthrough could be a mass adoption of ticketless solution in one of major cities: Warszawa, Łódź or Wrocław

Companies mentioned in the report

Brand/banner	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
eCard	eCard S.A.	aggregator
PayU	PayU S.A.	aggregator
Przelewy24	PayPro SA, DialCom24 Sp. z o.o.	aggregator
tpay	Krajowy Integrator Płatności S.A.	aggregator
Bitbe.co Ltd	Bitbe.co Ltd	BTC acquiring
InPay	InPay S.A.	BTC acquiring
4coins.pl	12 M sp. z o.o.	BTC exchange
BitBay.net	BitBay Sp. z o.o.	BTC exchange
bitcurex.com	Digital Future LLC Sp. z O.O.	BTC exchange
bitfox.pl	Bitfox sp. z o.o.	BTC exchange
bitmarket.pl	Michau Enterprises Limited	BTC exchange
bitmarket24.pl	BitMarket24 Sp. z o.o.	BTC exchange
Bitmaszyn.pl	Androbayt Sp. z o.o.	BTC exchange
Bitstar	bitstar sp. z o.o.	BTC exchange
btcduke.com	BTCDuke sp. z o.o.	BTC exchange
Cryptoins.com	Cryptoins.com Ltd	BTC exchange
dgtmarket.com	Digital Market Sp. z o.o.	BTC exchange
flyingatom.com	FlyingAtom Sp. z o.o.	BTC exchange
nevbitt.com	Nevonet Sp. z o.o.	BTC exchange
simplecoin.pl	Simple Coin s.r.o.	BTC exchange
PaySafeCard, Ukash	Prepaid Services Company Ltd.	cash vouchers
BZ WBK	Bank Zachodni WBK SA	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
PesPay	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
Android Pay	Android 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

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	2008	2009	2010	2011	2012	2013	2014	2015	2016	17H1
End of period	4.17	4.11	3.96	4.42	4.09	4.15	4.26	4.26	4.42	4.23
Average	3.52	4.33	3.99	4.12	4.19	4.20	4.19	4.18	4.36	-

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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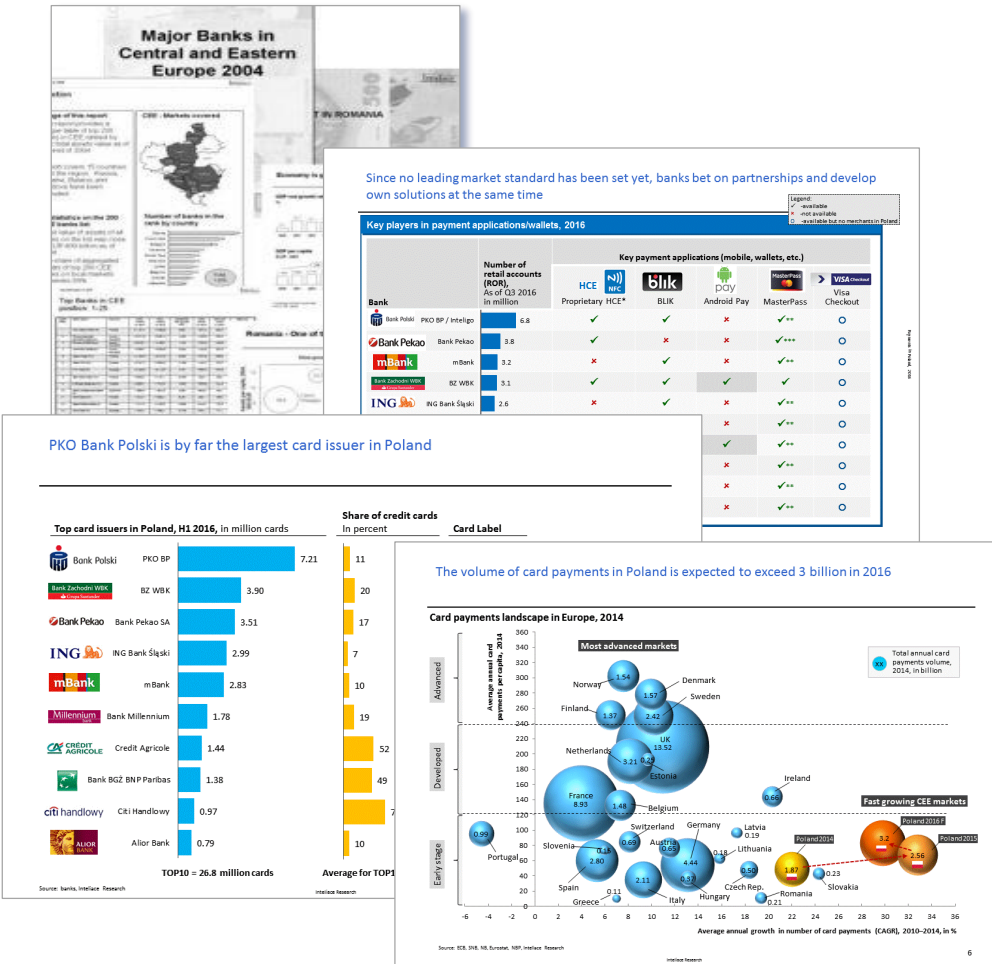
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