

# UKNF

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FINANSOWEGO

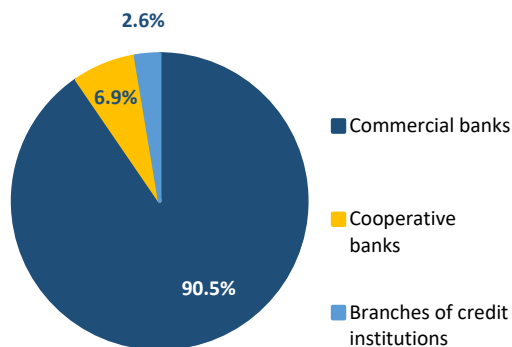
POLISH FINANCIAL SUPERVISION AUTHORITY

## Banking sector data November 2023

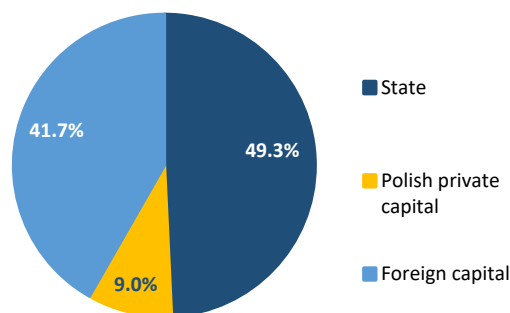
Based on the data of the National Bank of Poland reported on:  
29 December 2023

# Banking sector structure

Structure by client (share in assets)  
November 2023



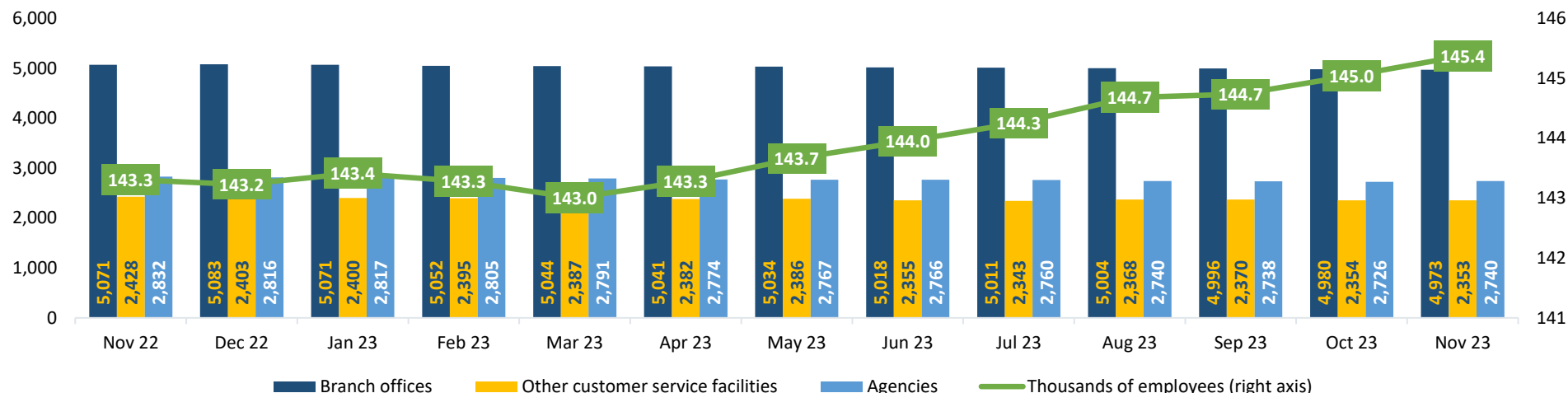
Capital origin (share in assets)  
November 2023



At the end of November 2023, there were:

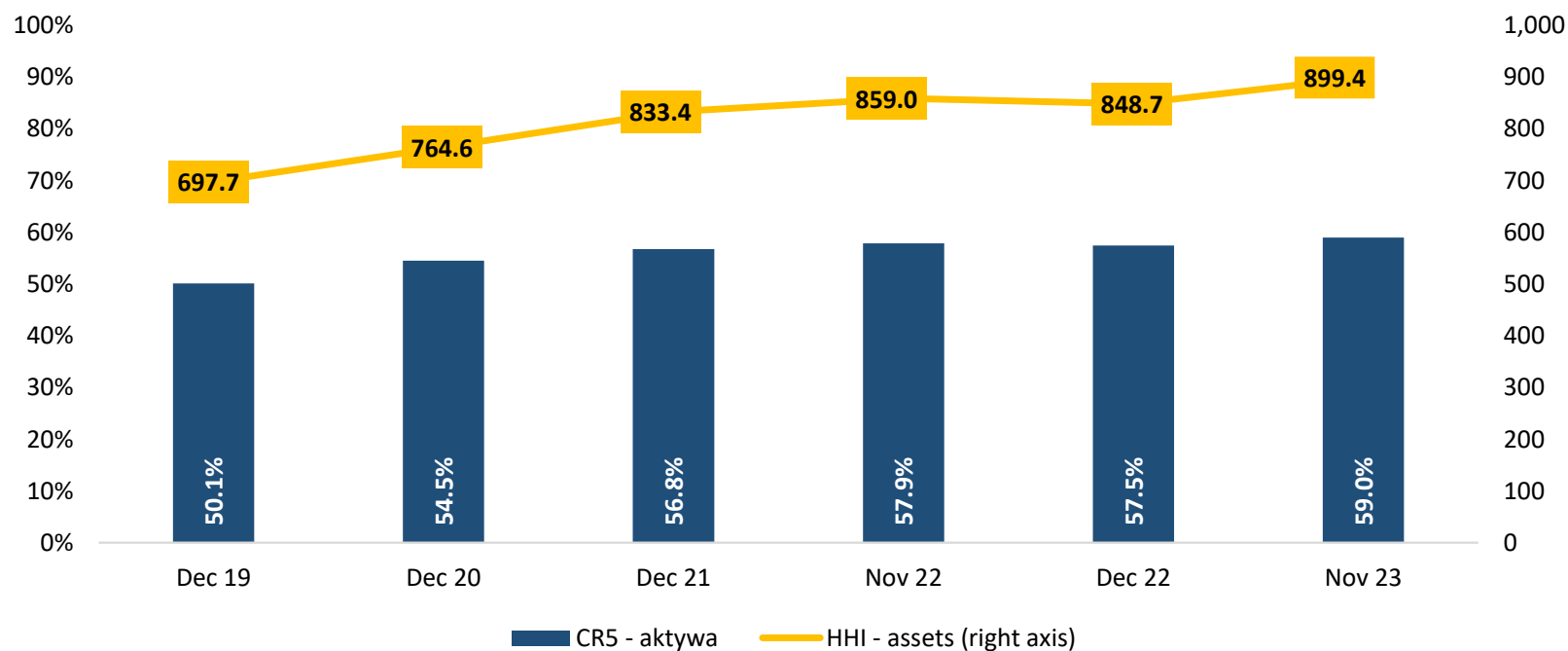
- 29 commercial banks,
- 492 cooperative banks,
- 34 branches of credit institutions and foreign banks.

Banking network



# Concentration of the banking sector

## Concentration rates



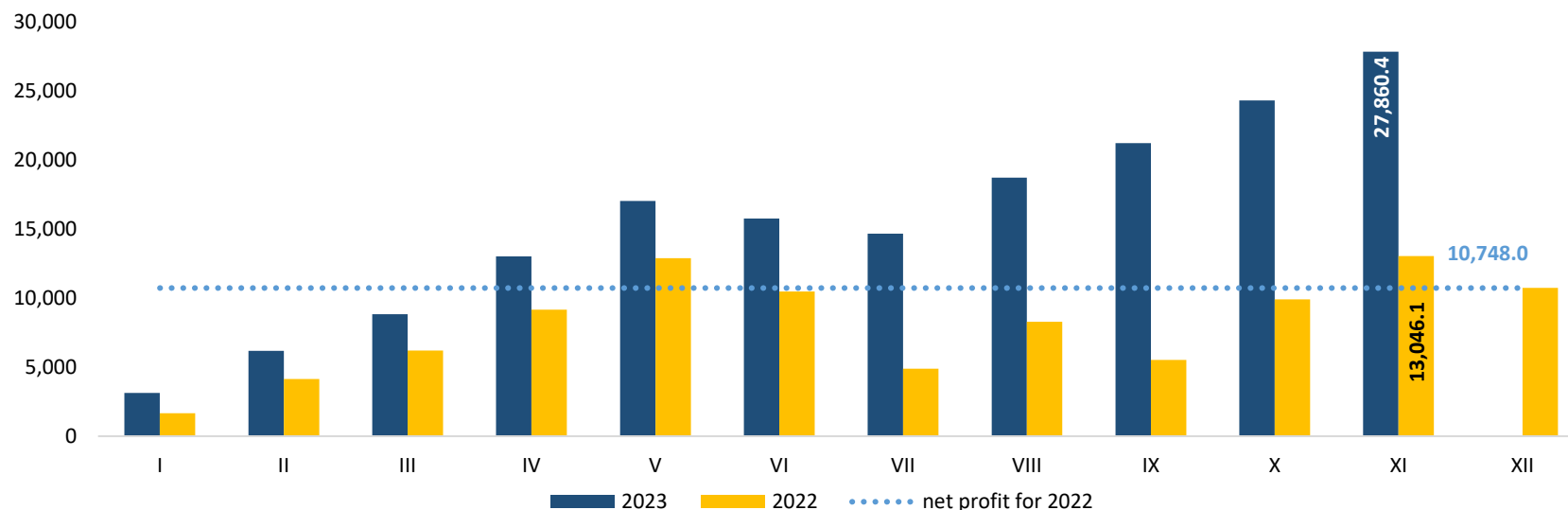
HHI – the Herfindahl-Hirschman index (the sum of squares of banks' shares in the banking sector assets) is a measure of market concentration. The index takes into account not only the number of entities but also their relative size.

CR5 – assets – an indicator representing the shares of 5 banks with the highest balance-sheet total.

HHI of 899.4 indicates a competitive market.

# Financial result

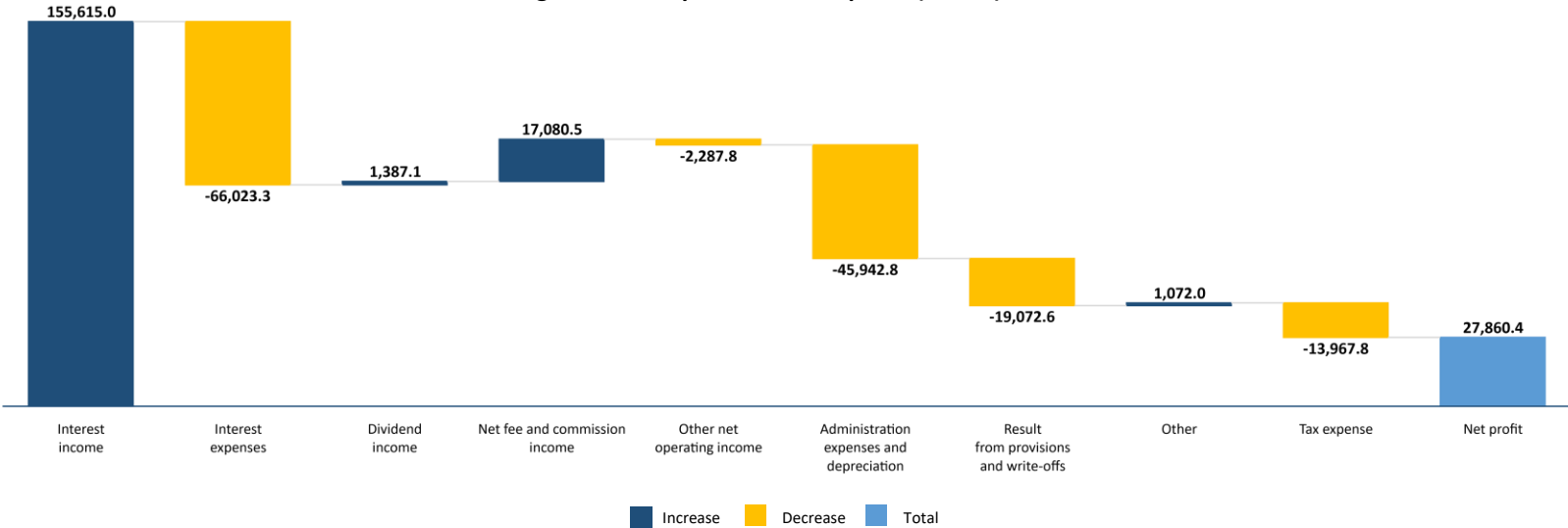
Banking sector: net profit (PLN m)



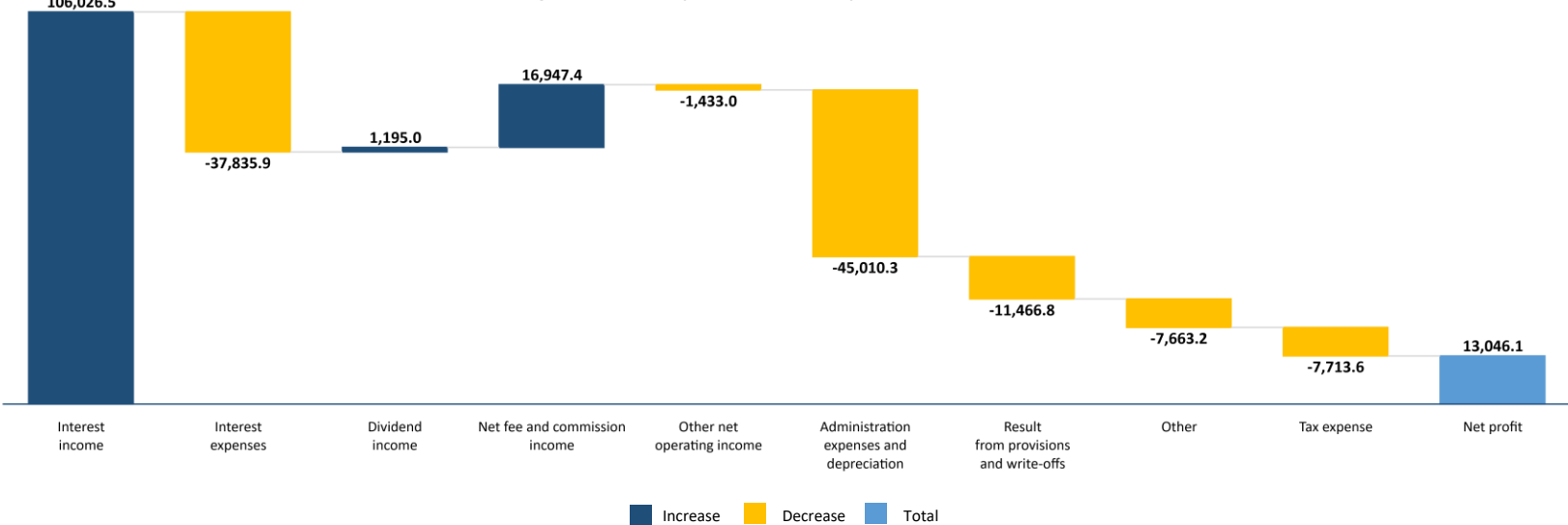
The net financial result at the end of November 2023 amounted to PLN 27.9 bn. It was higher by PLN 14.8 bn (+113.6% YoY) than the profit achieved by the sector at the end of November 2022 and higher by PLN 3.5 bn than the profit achieved at the end of October 2023 (+ 14.5% MoM).

# Financial result

Banking sector: components of net profit (PLN m); November 2023

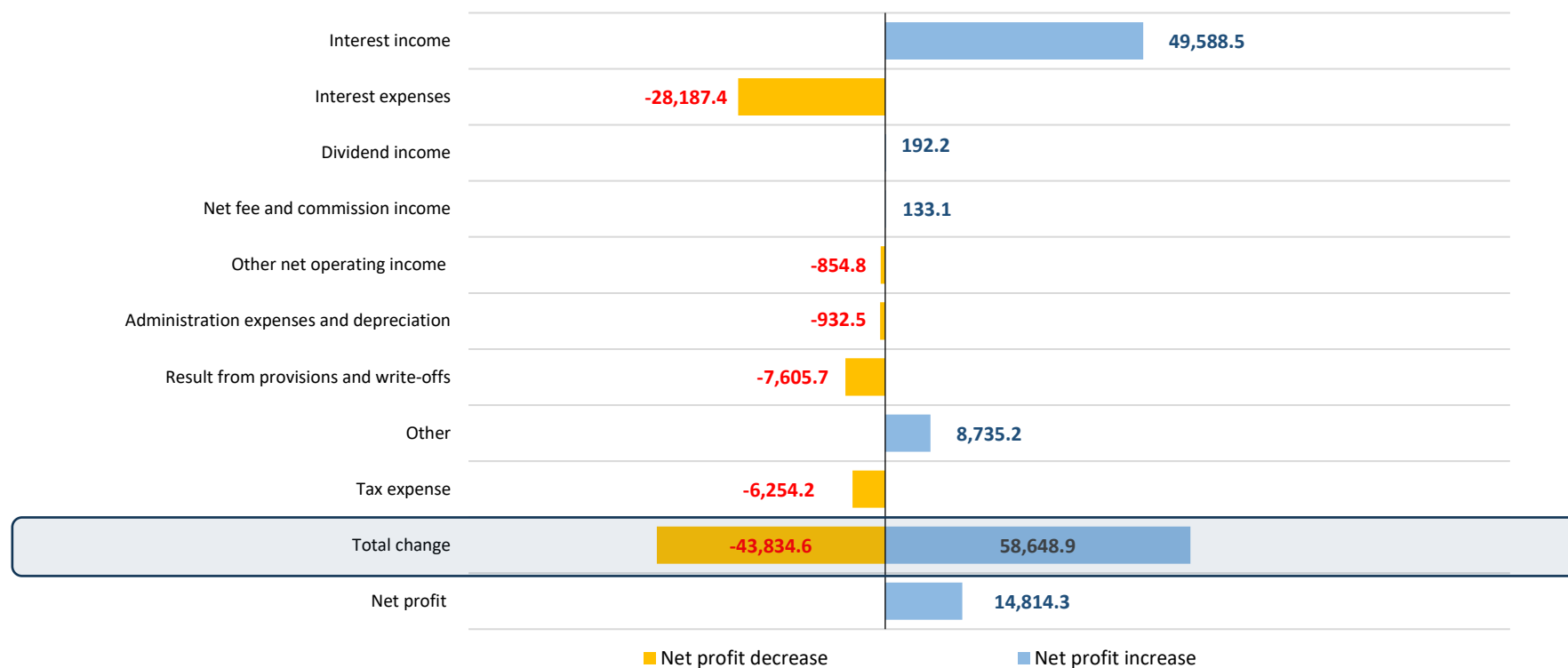


Banking sector: components of net profit (PLN m); November 2022



# Financial result

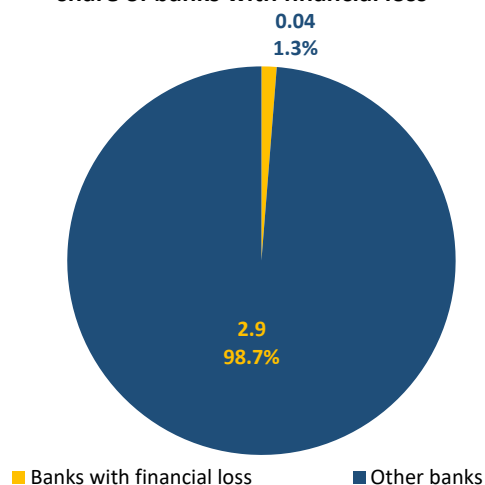
## Banking sector: impact of changes in individual items of P&L on the financial result – YoY (PLN m); November 2023



## Financial result

- At the end of November 2023, commercial banks reported a total loss of PLN 6.3 bn. The assets of those banks accounted for approx. 1.3% of the sector's assets\*.
- Other banks in the sector\* reported a total profit of PLN 36.3 bn.

Sector assets\* (PLN tn) in November 2023;  
share of banks with financial loss

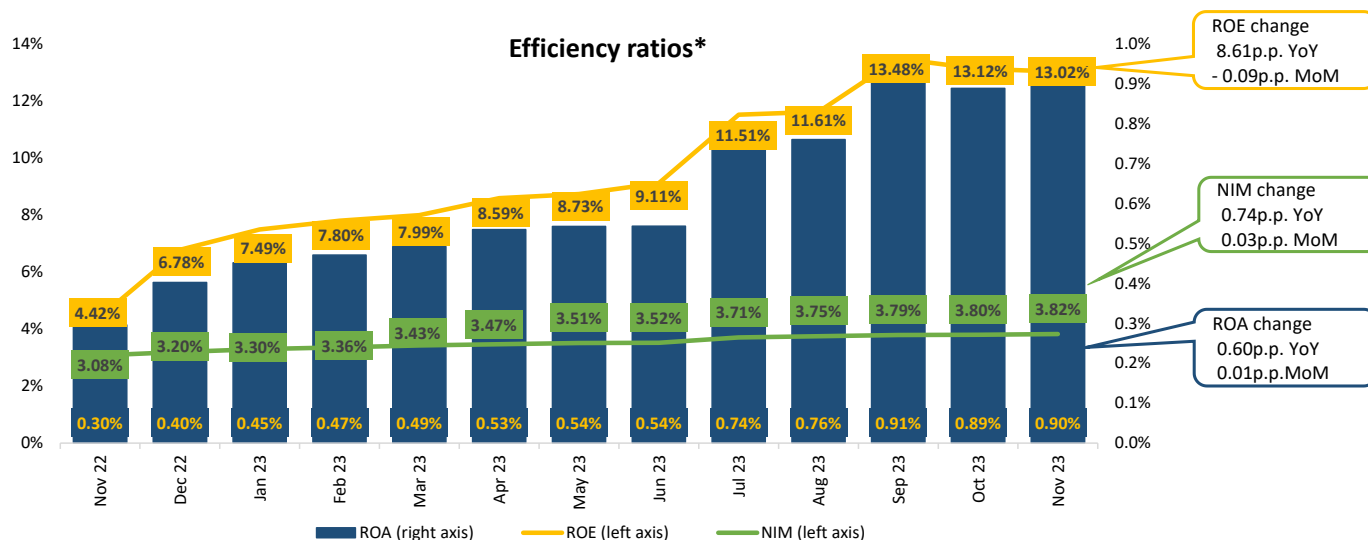


At the end of November 2023, the share of loss-making banks was equal to:

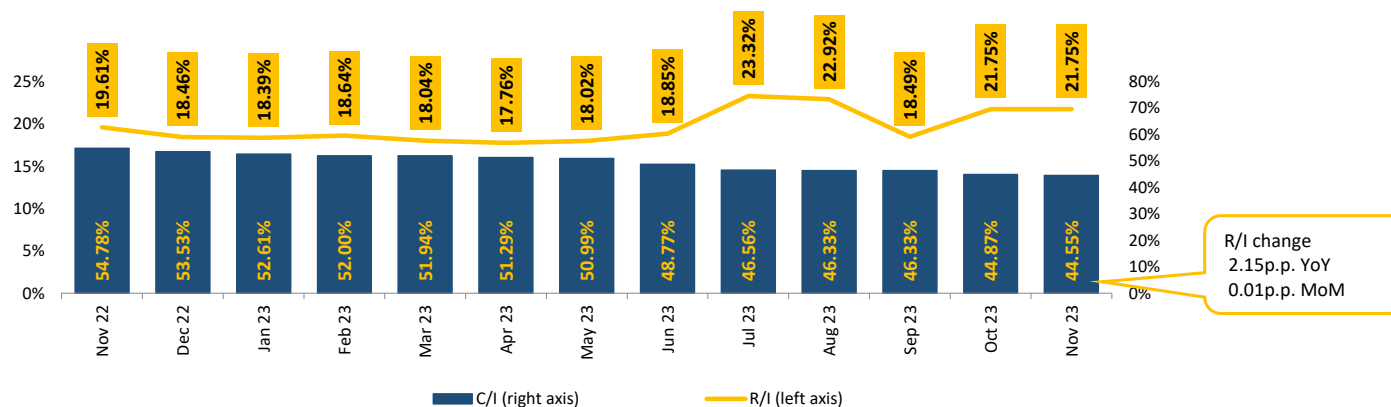
- 1.2% of the portfolio of receivables from the non-financial sector at commercial and cooperative banks;
- 0.5% of the portfolio of non-financial sector deposits at commercial and cooperative banks.

\*/ commercial and cooperative banks

# Banking sector efficiency



## Cost to income (C/I) and provisions and write-offs to income (R/I)\*\*



\*/ ROA and ROE ratios: the financial result achieved over 12 subsequent months in relation to the average assets and average capital over 13 subsequent months.

The ROE ratio refers to the aggregate of commercial and cooperative banking sector (excluding branches of credit institutions), the ROA ratio refers to the entire banking sector.

NIM ratio: net interest income over 12 subsequent months in relation to average interest assets over 13 subsequent months.

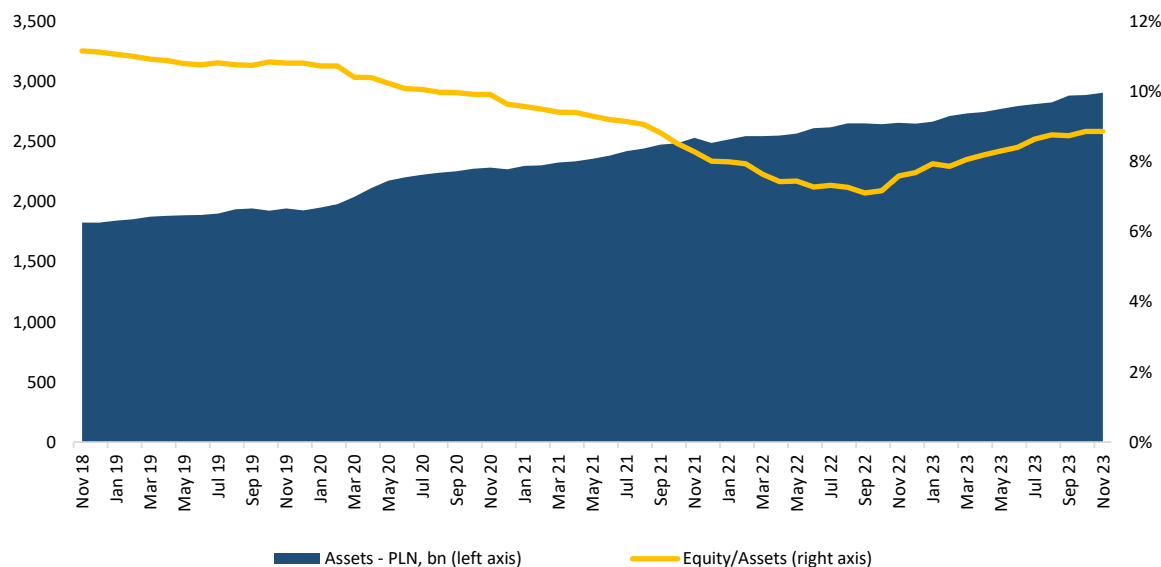
\*\*/ C/I ratio: costs (operating costs + depreciation of fixed assets and intangible assets) in relation to income (total operating income, net); moving average of 12 months.

/ R/I ratio: write-offs and provisions (provisions + impairment or reversal of impairment) in relation to income (total operating income, net); moving average of 12 months.



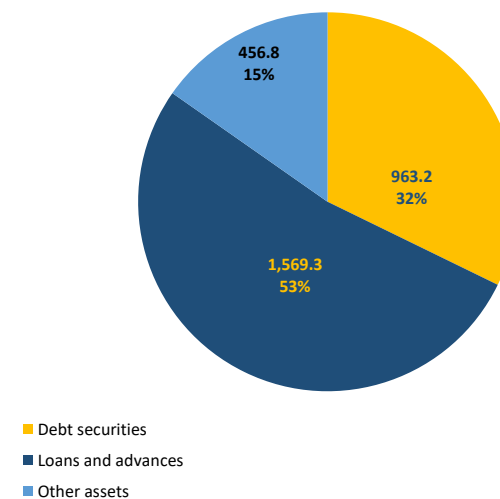
# Balance sheet

Equity vs total assets, commercial and cooperative banks

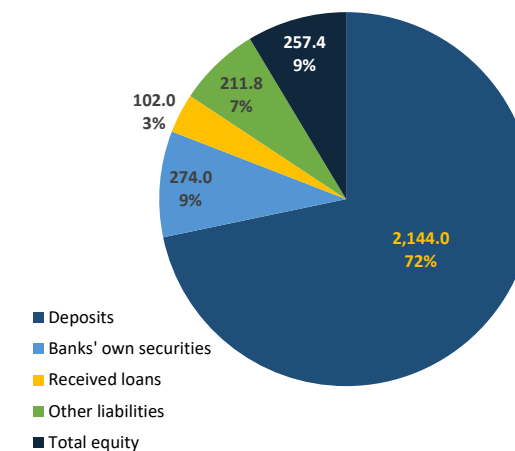


Balance sheet total (PLN bn)	Balance sheet total November 2023	Change MoM	Change YoY
Banking sector	2,989.3	21.8	9.1%
Commercial banks	2,703.9	15.7	9.3%
Cooperative banks	206.8	4.3	10.5%
Branches of credit institutions	78.7	1.8	-0.5%

Balance sheet structure: assets\*  
(PLN bn), November 2023



Balance sheet structure: liabilities\*  
(PLN bn), November 2023



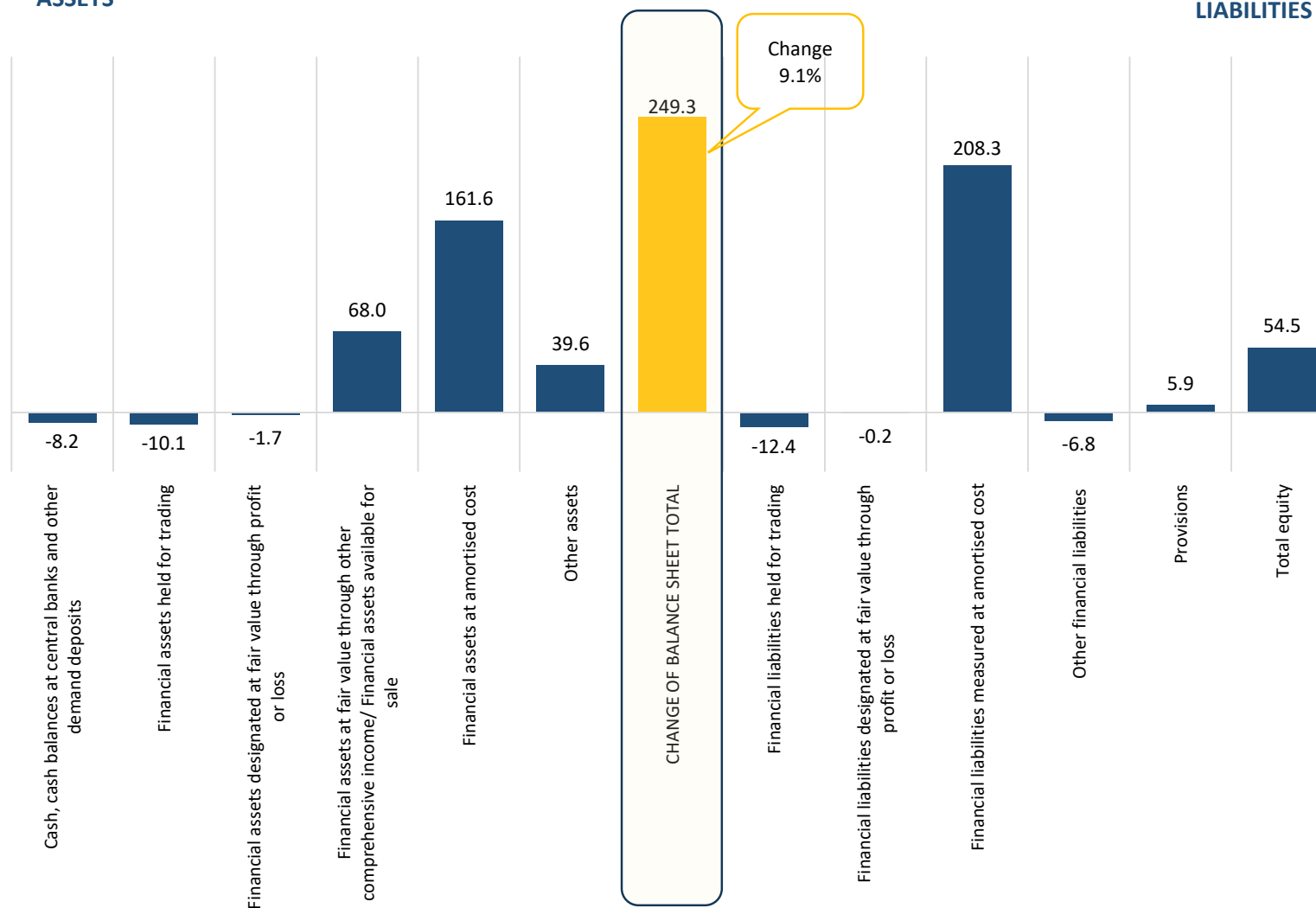
\*/ commercial and cooperative banks

# Balance sheet: YoY changes

**Portfolio structure of the balance sheet: banking sector**  
Change in the period between November 2022 and November 2023 (PLN bn)

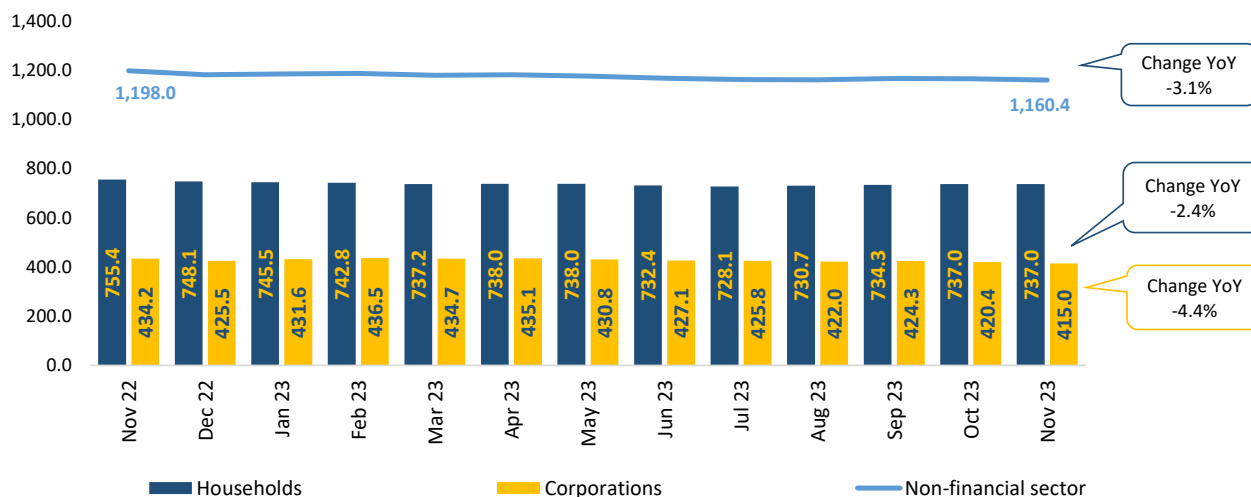
## ASSETS

## LIABILITIES

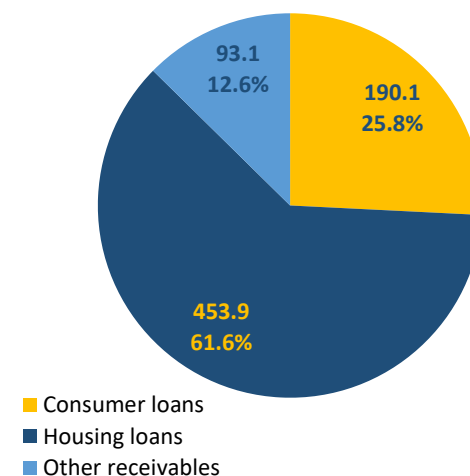


# Balance sheet: loans to the non-financial sector

Receivables from the non-financial sector – portfolio B\* (PLN bn)



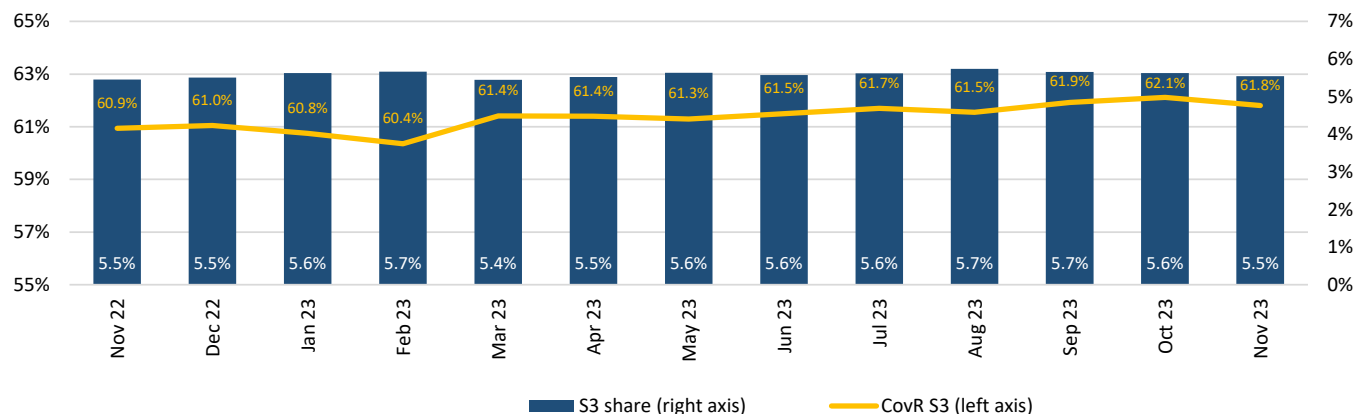
Gross receivables from households – portfolio B\* (PLN bn)  
November 2023



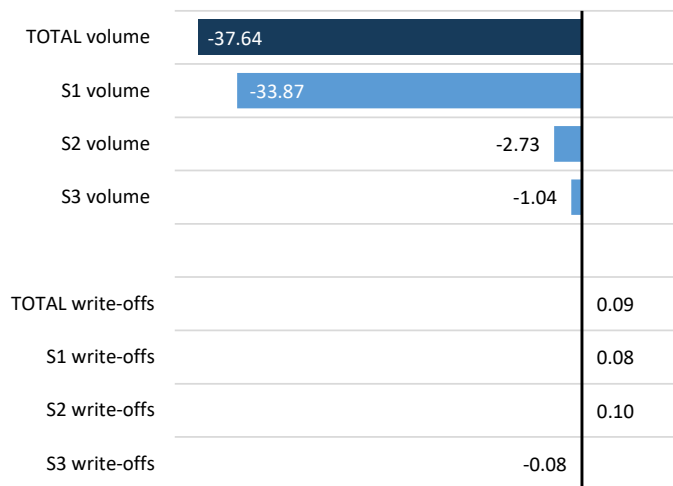
The gross volume of loans to the non-financial sector decreased by PLN 5.42 bn (-0.5% MoM) in November 2023.

# Non-financial sector receivables quality

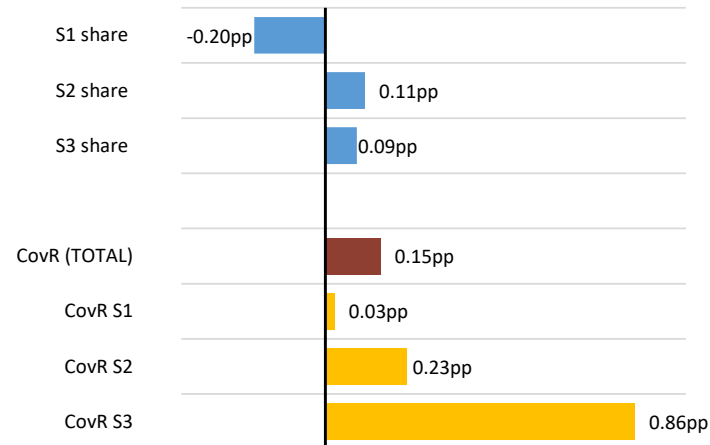
## TOTAL\* receivables from the non-financial sector – quality of receivables and coverage ratio



### Change in the gross volume of receivables and write-offs in the period between November 2022 and November 2023 (PLN bn)



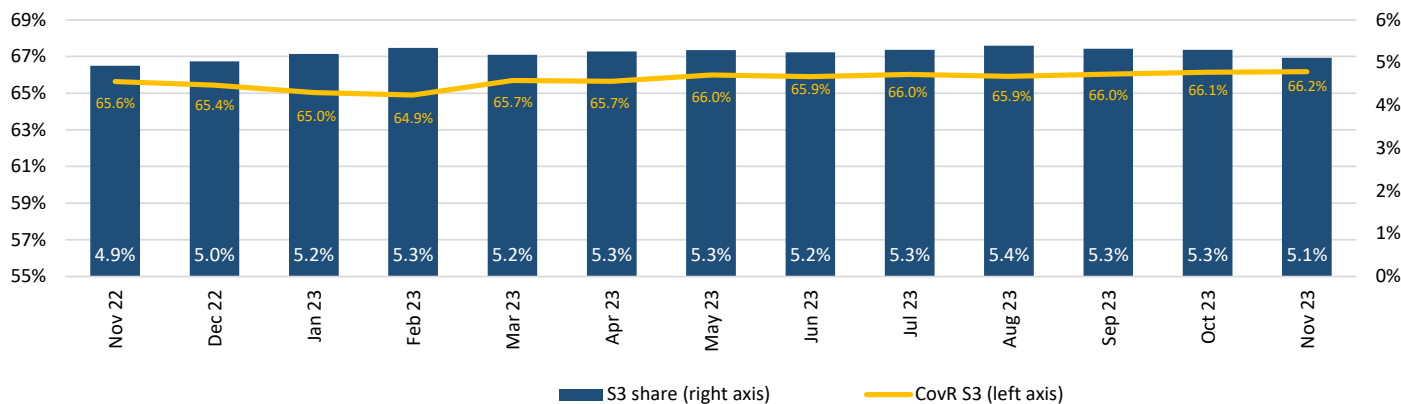
### Change in the share of stages and coverage with write-offs in the period between November 2022 and November 2023 (pp)



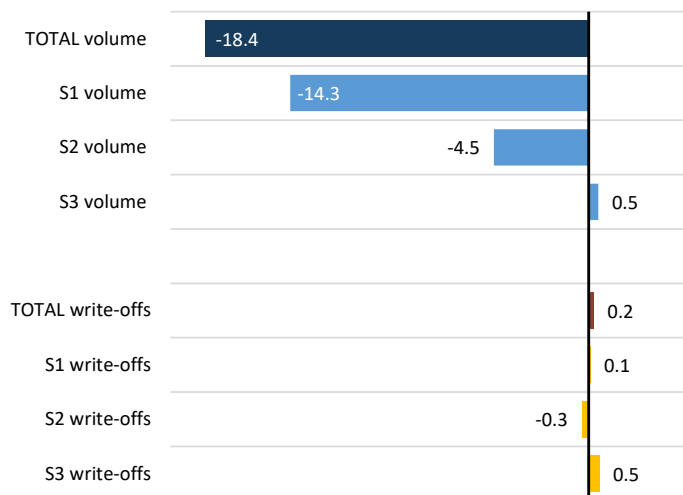
\*/ at amortised cost and fair value through other comprehensive income; excluding debt securities.

# Non-financial sector receivables quality

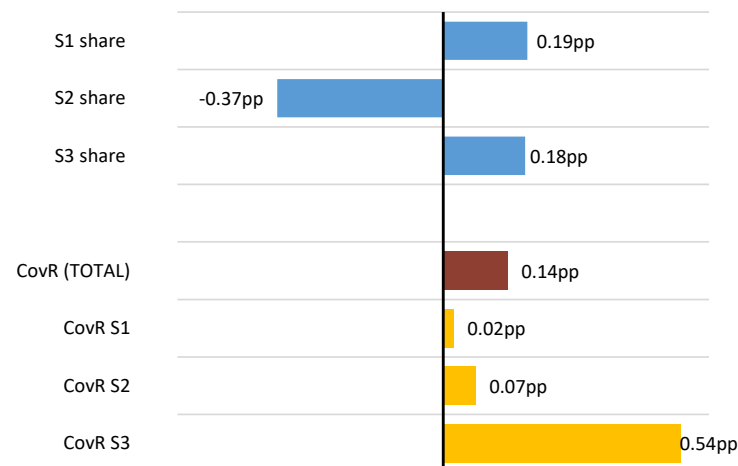
**TOTAL\* receivables from households  
– quality of receivables and coverage ratio**



**Change in the gross volume of receivables and write-offs  
in the period between November 2022 and November 2023 (PLN bn)**



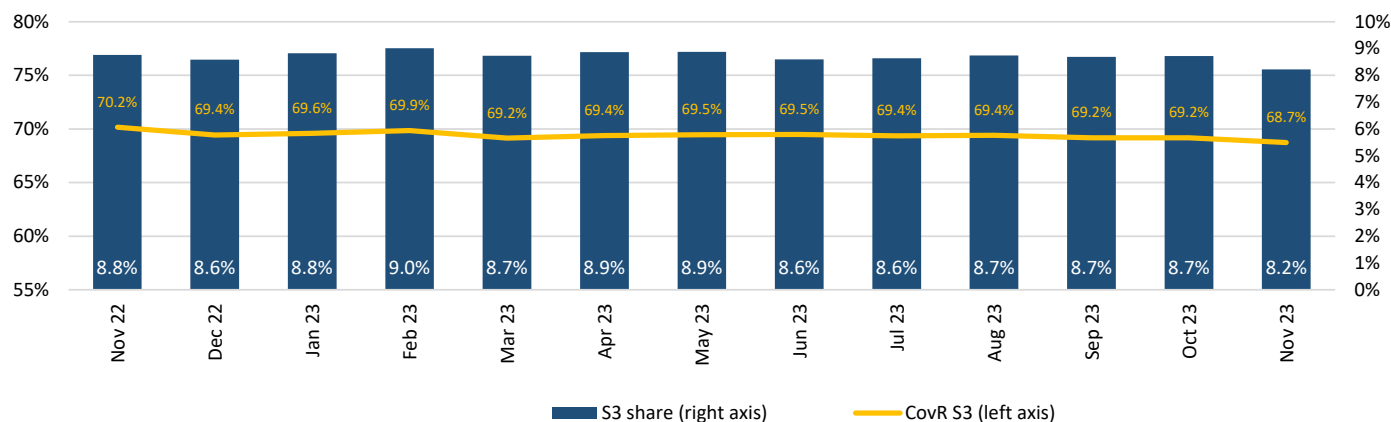
**Change in the share of stages and coverage with write-offs in the period  
between November 2022 and November 2023 (pp)**



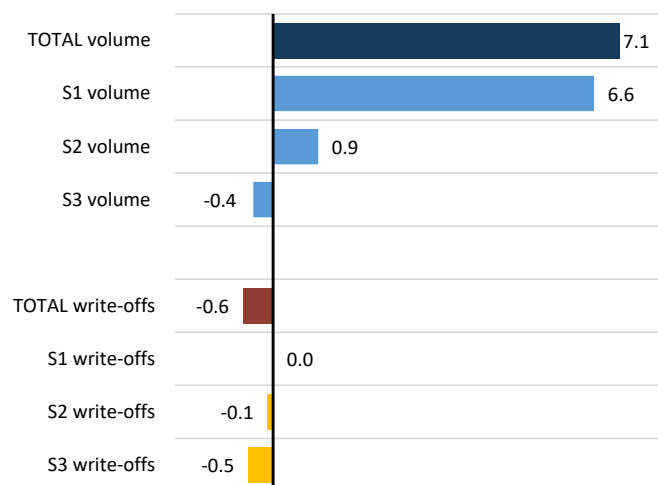
*\*/ at amortised cost and fair value through other comprehensive income; excluding debt securities.*

# Non-financial sector receivables quality

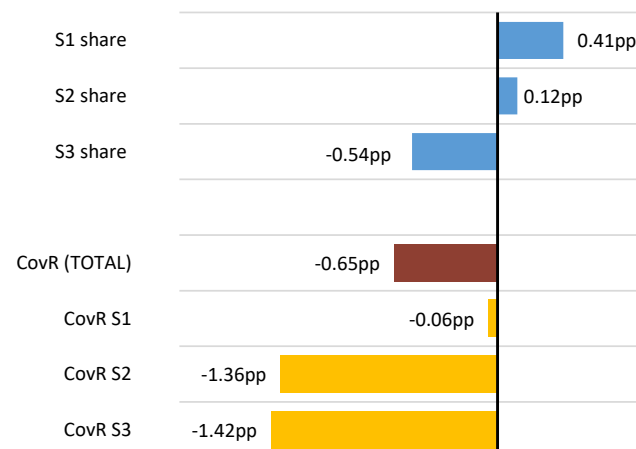
## Consumer loans\* – loan quality and coverage ratio



### Change in the gross volume of receivables and write-offs in the period between November 2022 and November 2023 (PLN bn)



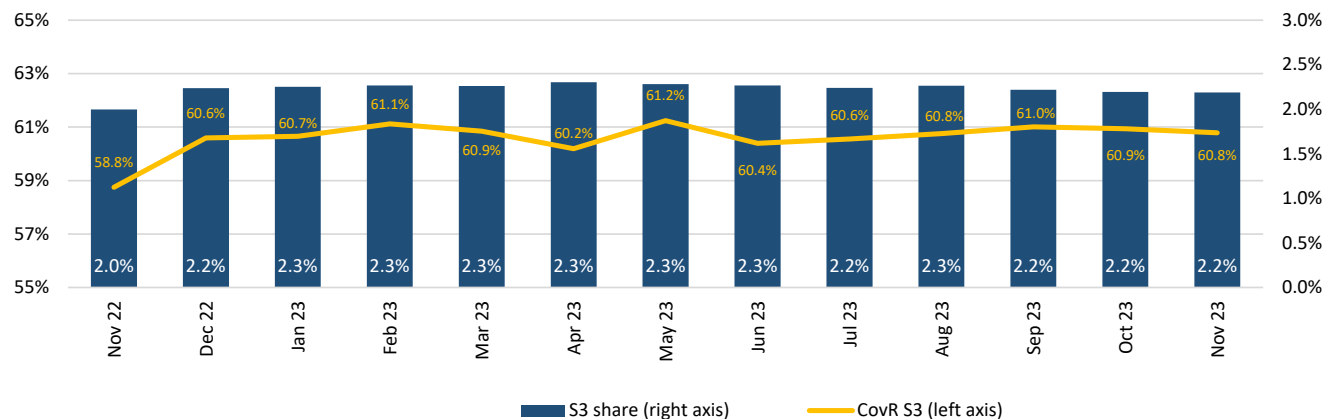
### Change in the share of stages and coverage with write-offs in the period between November 2022 and November 2023 (pp)



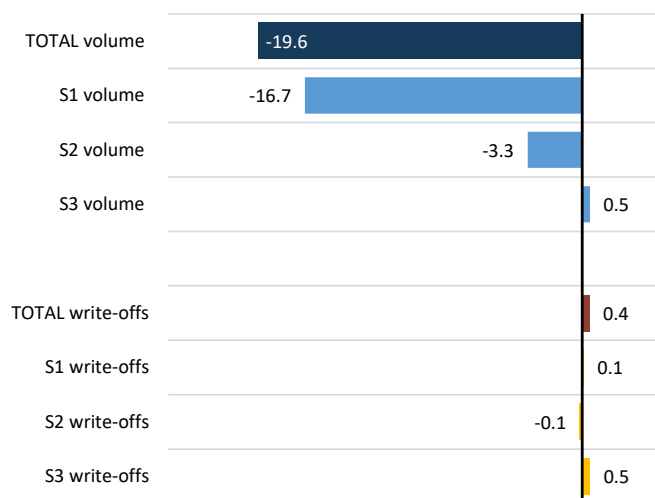
\*/ at amortised cost and fair value through other comprehensive income; excluding debt securities.

# Non-financial sector receivables quality

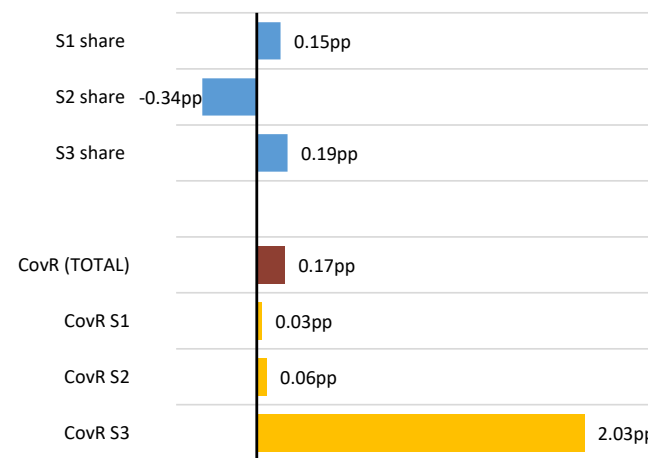
## Housing loans\* – loan quality and coverage ratio



Change in the gross volume of receivables and write-offs  
in the period between November 2022 and November 2023 (PLN bn)



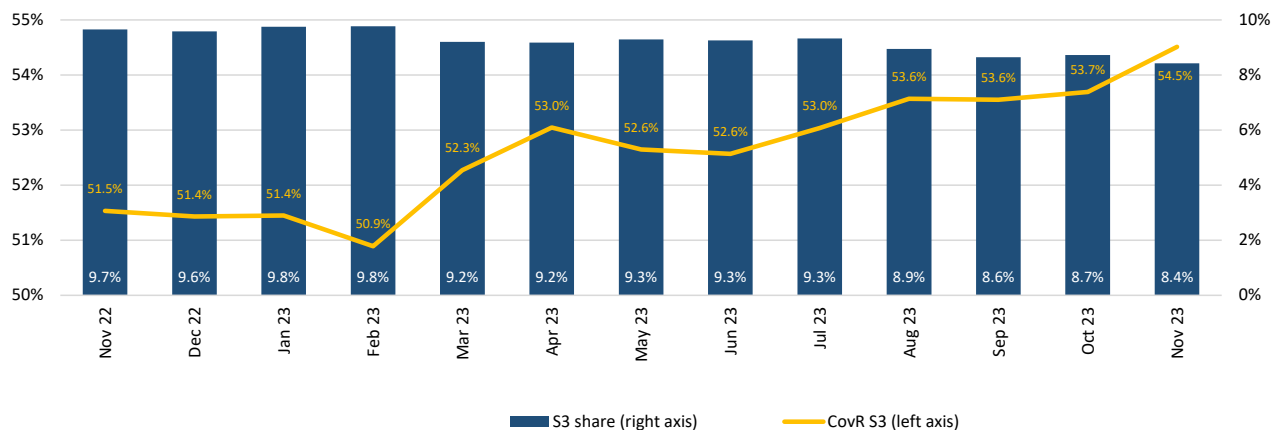
Change in the share of stages and coverage with write-offs in the period  
between November 2022 and November 2023 (pp)



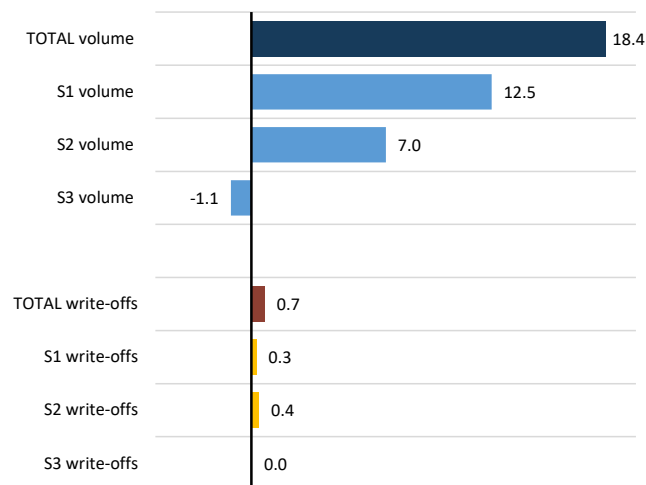
\*/ at amortised cost and fair value through other comprehensive income; excluding debt securities.

# Non-financial sector receivables quality

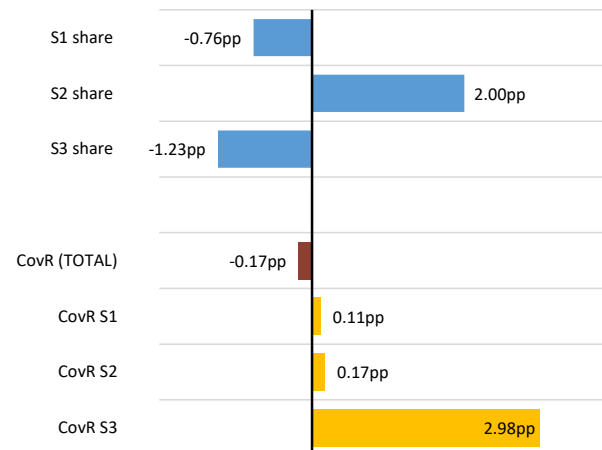
Loans to SMEs\* – loan quality and coverage ratio



Change in the gross volume of receivables and write-offs in the period between November 2022 and November 2023 (PLN bn)



Change in the share of stages and coverage with write-offs in the period between November 2022 and November 2023 (pp)

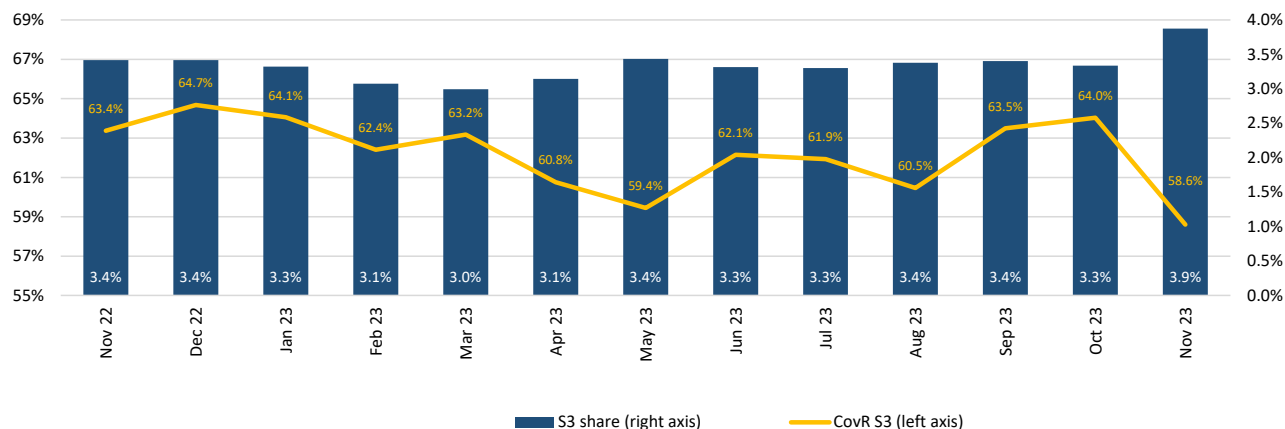


\*/ at amortised cost and fair value through other comprehensive income; excluding debt securities.

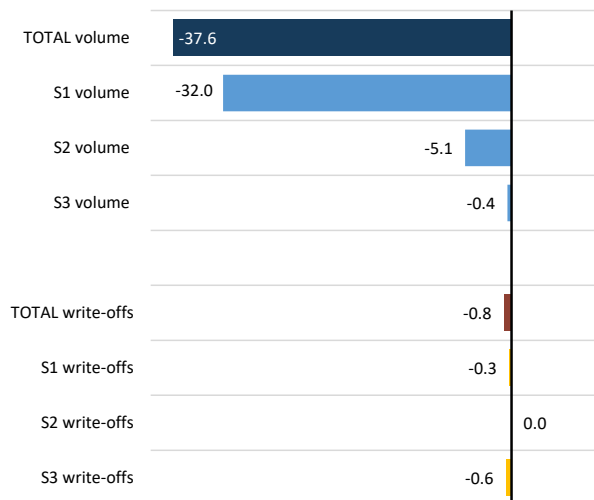


# Non-financial sector receivables quality

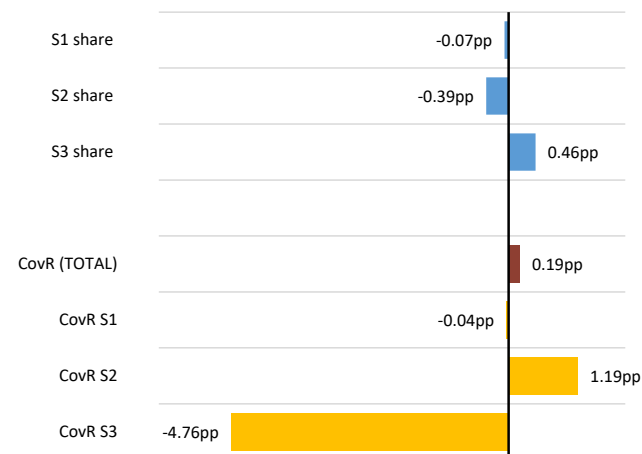
Loans to large enterprises\* – loan quality and coverage ratio



Change in the gross volume of receivables and write-offs  
in the period between November 2022 and November 2023 (PLN bn)



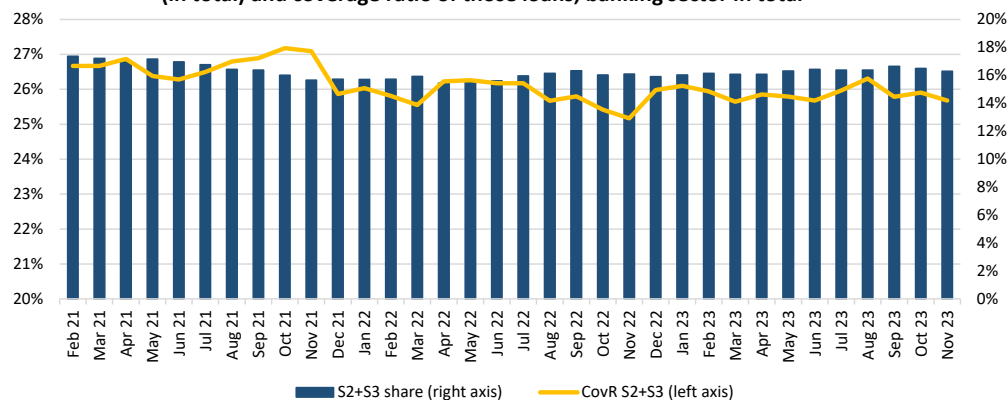
Change in the share of stages and coverage with write-offs in the period between  
November 2022 and November 2023 (pp)



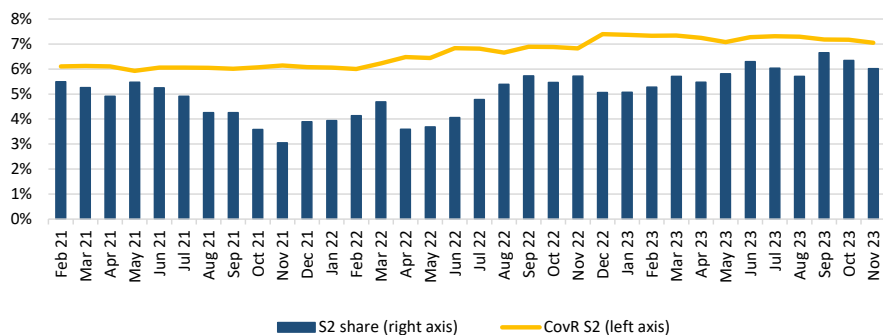
\*/ at amortised cost and fair value through other comprehensive income; excluding debt securities.

# Loans and advances\*: non-financial sector

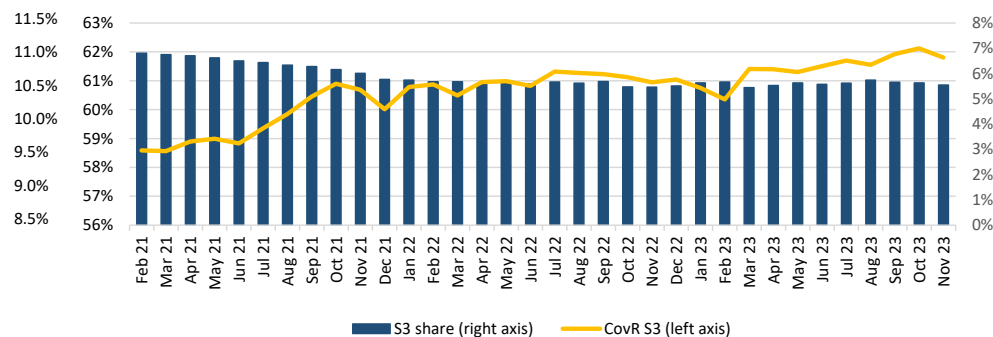
Loans and advances to the non-financial sector; share of loans in stages 2 and 3 (in total) and coverage ratio of those loans; banking sector in total



Loans and advances to the non-financial sector; share of loans in stage 2 and coverage ratio of those loans; banking sector in total

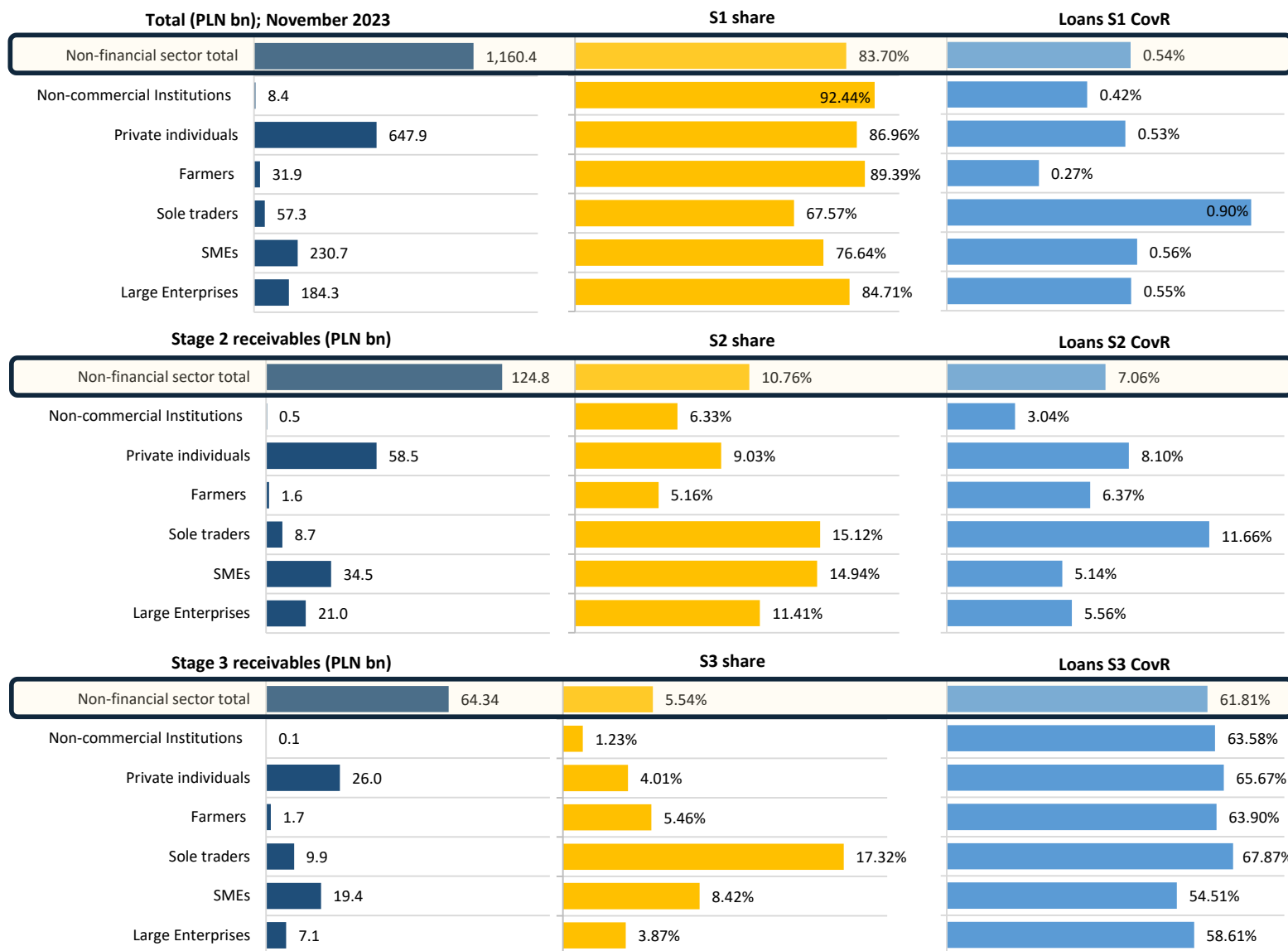


Loans and advances to the non-financial sector; share of loans in stage 3 and coverage ratio of those loans; banking sector in total



\*/ at amortised cost and fair value through other comprehensive income; excluding debt securities.

# Loans and advances (gross)\* by client



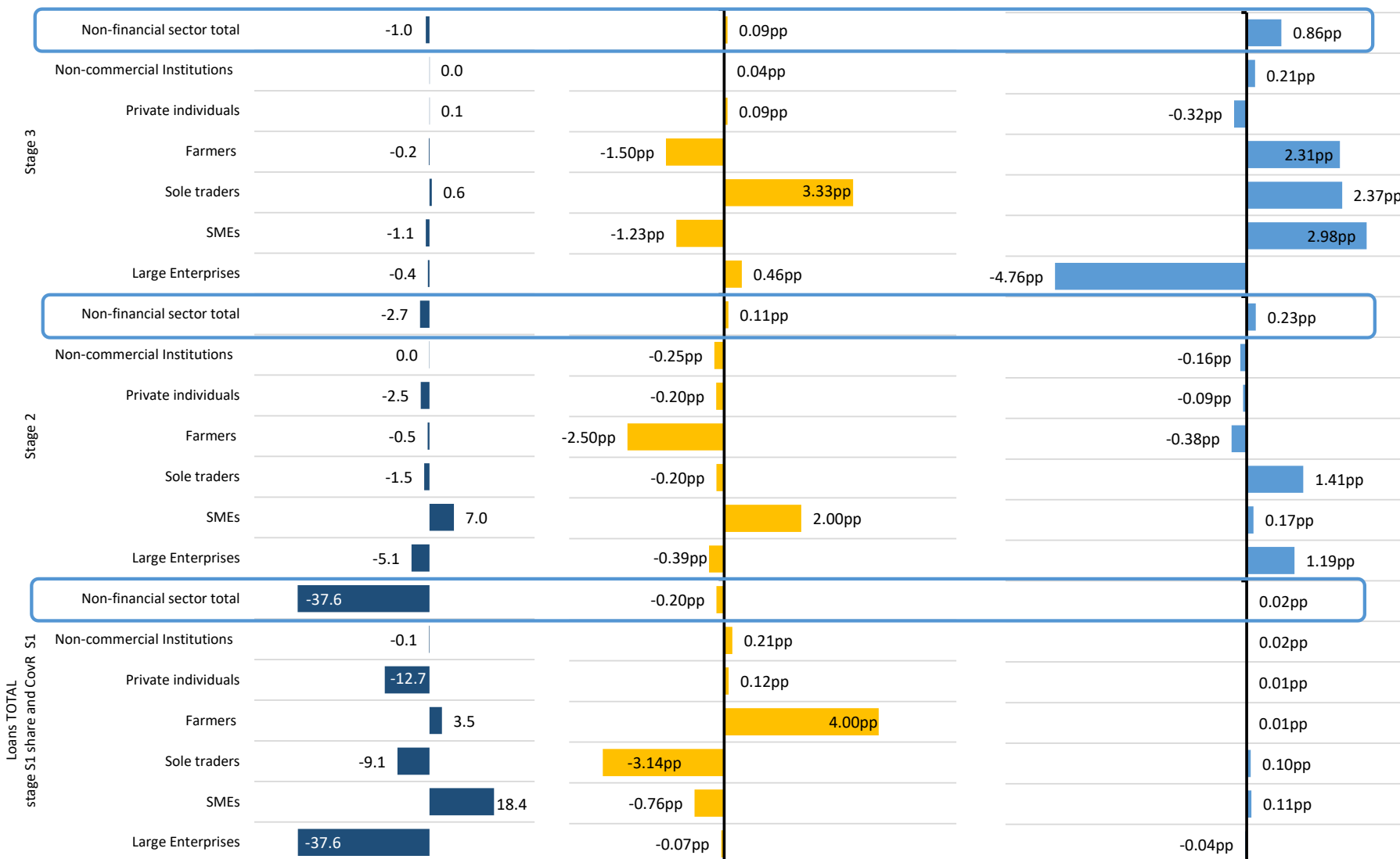
\*/ at amortised cost and fair value through other comprehensive income; excluding debt securities.

# Loans and advances (gross)\* by client – YoY change

## Total (PLN bn); November 2023

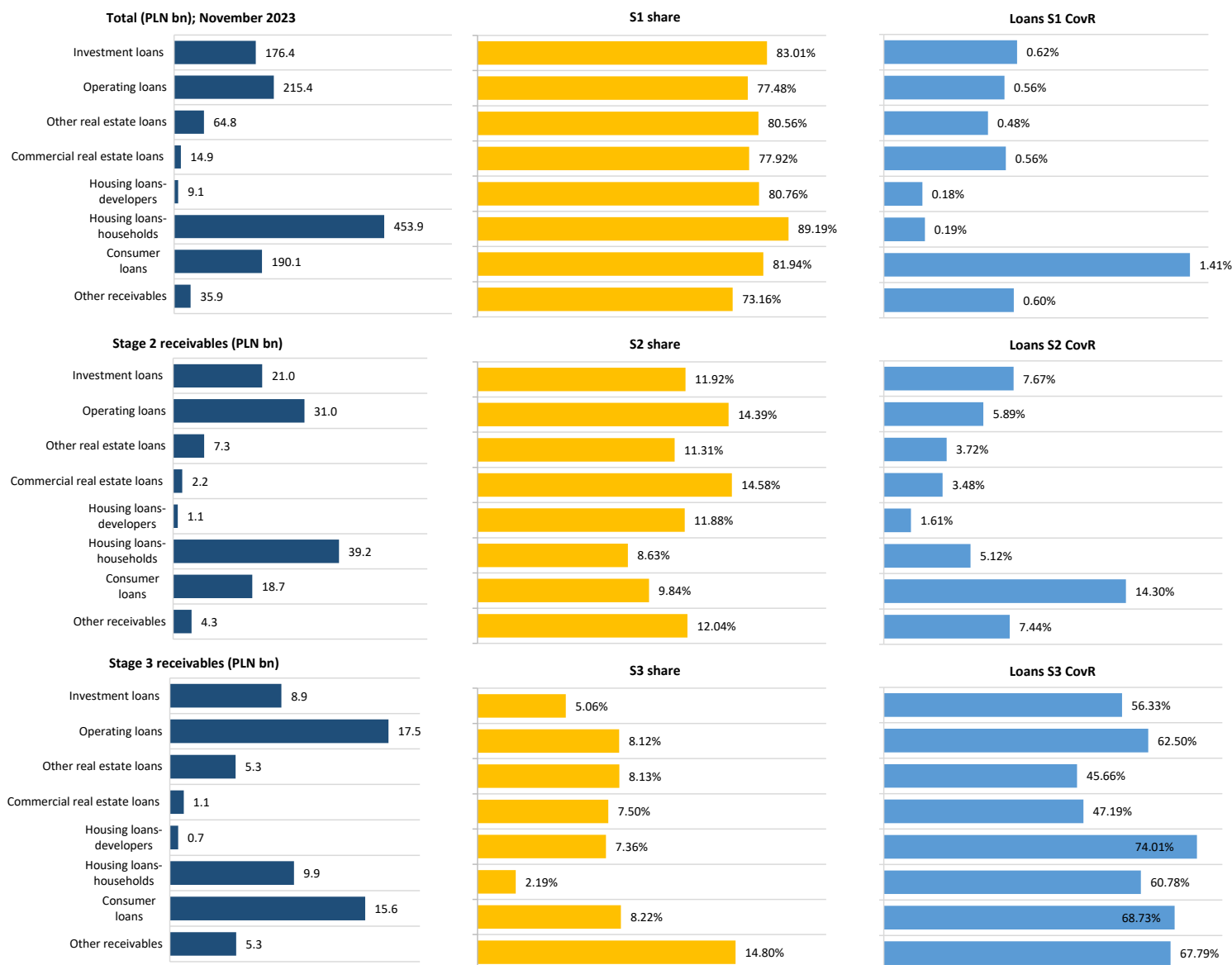
## Share of stages (pp)

## Coverage ratio (pp)



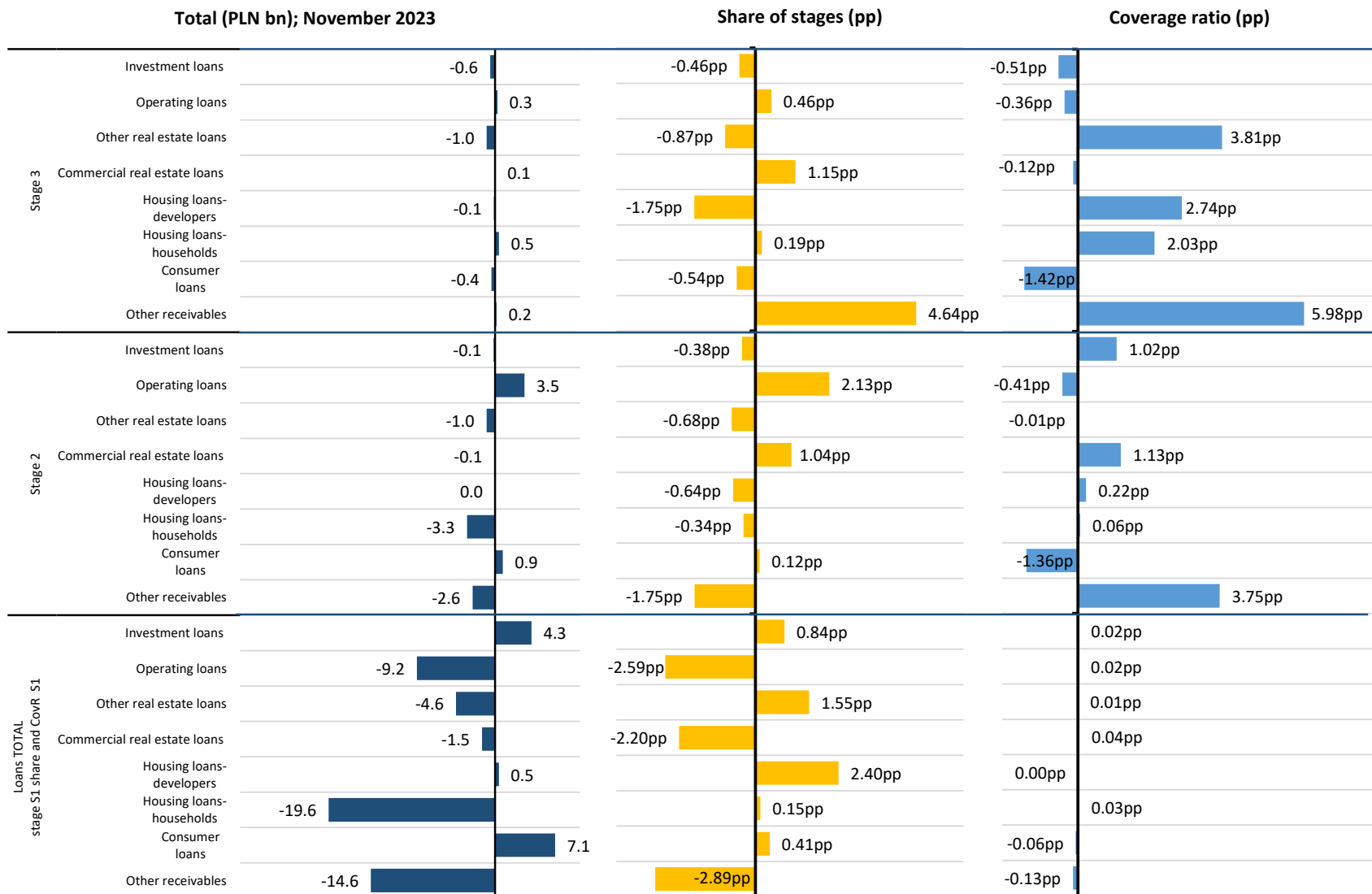
\*/ at amortised cost and fair value through other comprehensive income; excluding debt securities.

# Loans and advances (gross)\* by product



\*/ at amortised cost and fair value through other comprehensive income; excluding debt securities.

# Loans and advances (gross)\* by product – YoY change



\*/ at amortised cost and fair value through other comprehensive income; excluding debt securities.

## Loans and advances\*: non-financial sector

- **Housing loans (gross) to households** increased by PLN 2.7 bn to PLN 453.9 bn (+0.60% MoM; -4.1% YoY) in November 2023:
  - ✓ **housing loans (gross) in PLN** increased in November 2023 by PLN 4.3 bn to PLN 404.7 bn (+1.07% MoM; +3.3% YoY). As at the end of November 2023, PLN loans accounted for 89.2% of all housing loans to households;
  - ✓ **housing loans (gross) in other currencies** decreased compared to the previous month (-3.1% MoM; -39.7% YoY) to PLN 49.1 bn.
- **Consumer loans (gross)** increased in November 2023 by PLN 0.8 bn to PLN 190.1 bn (+0.4% MoM; +3.9% YoY).

*\*/ at amortised cost and fair value through other comprehensive income; excluding debt securities.*

## Loans and advances\*: non-financial sector

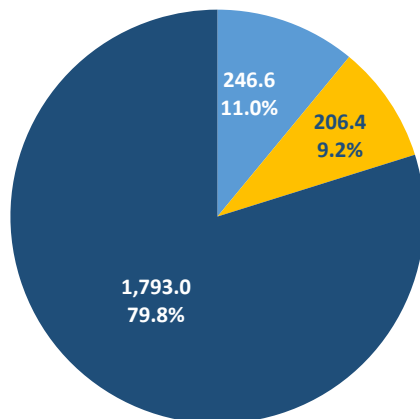
- **Operating loans (gross) to non-financial corporations** decreased in November 2023 by PLN 2.5 bn to PLN 165.6 bn (-1.5% MoM; -7.6% YoY).
- **Investment loans (gross) to non-financial corporations** decreased in November 2023 by PLN 0.4 bn to PLN 157.9 bn (-0.3% MoM; +4.5% YoY).
- **Impaired (stage 3) receivables from the non-financial sector** in November 2023:
  - ✓ decreased by PLN 1.2 bn compared to previous month to PLN 64.3 bn (-1.88% MoM; -1.59% YoY)
  - ✓ dominant components were consumer loans (PLN 15.6 bn) and operating loans (PLN 17.5 bn)
  - ✓ the client structure was dominated by private individuals (PLN 26.0 bn) and SMEs (PLN 19.4 bn).

*\*/ at amortised cost and fair value through other comprehensive income; excluding debt securities.*



# Balance sheet: liabilities

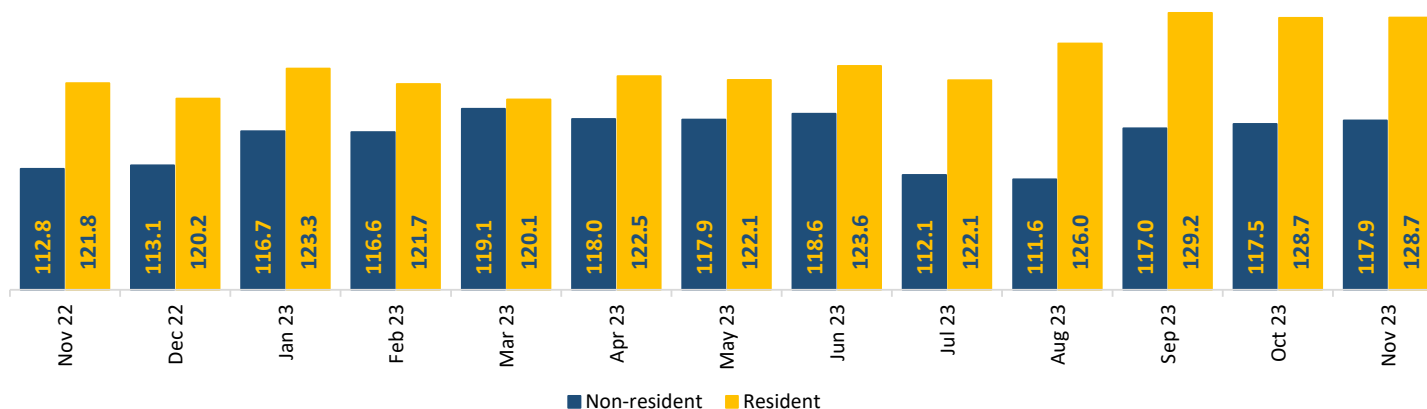
Deposits and received loans;  
November 2023 (PLN bn)



■ Financial sector  
■ General Government sector  
■ Non-financial sector

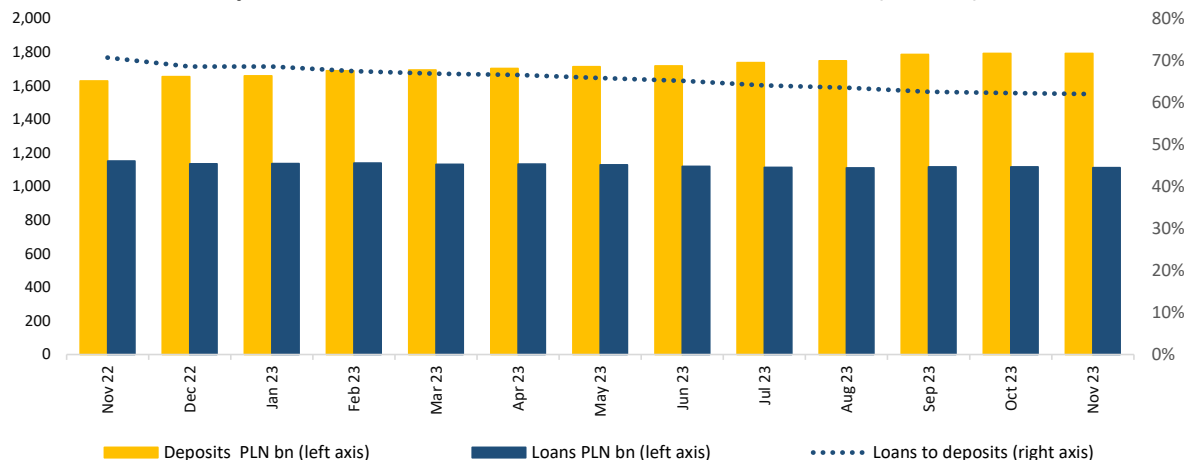
- The General Government deposits' share increased by 0.2 pp MoM to 9.2% in November 2023 (it was 9.0% at the end of 2022).
- The commitment of non-residents increased in November 2023 by PLN 0.4 bn (+0.3% MoM; +4.5% YoY) and the commitment of residents increased by PLN 0.02 bn (+0.01% MoM; +5.7% YoY).

Financial sector deposits and loans (PLN bn)



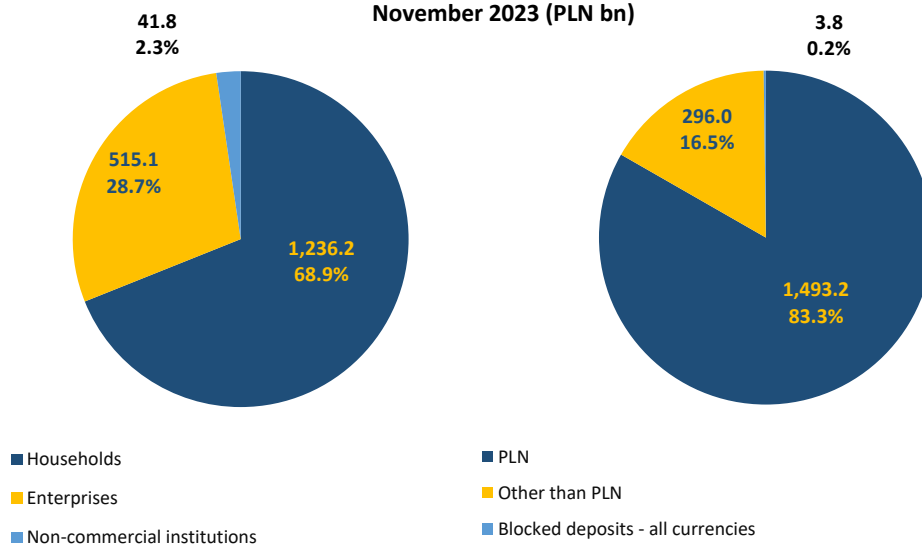
# Non-financial sector deposits

Deposits vs receivables\* from the non-financial sector (PLN bn)



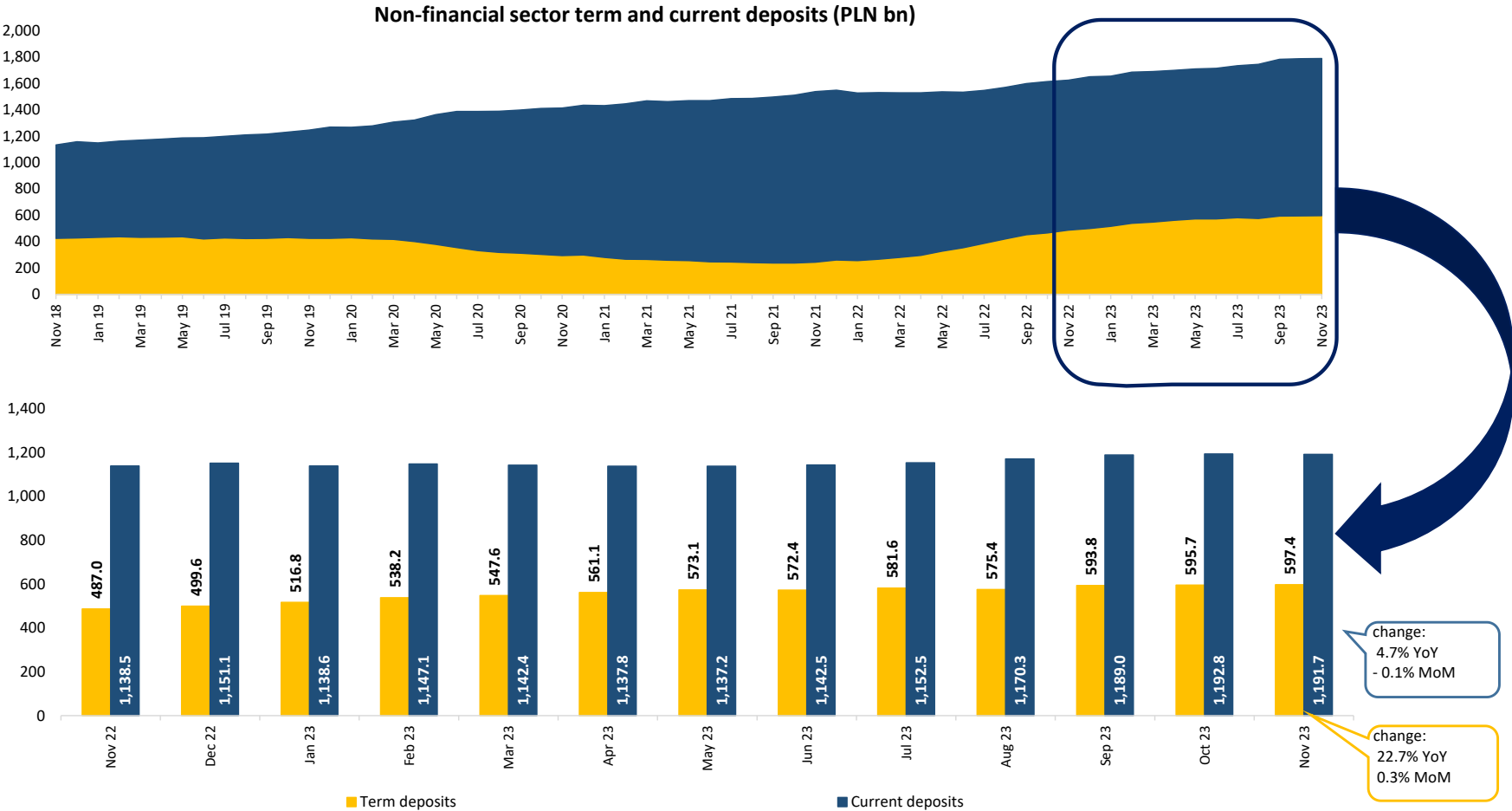
\*/ loans at balance sheet value

Non-financial sector deposits;  
November 2023 (PLN bn)



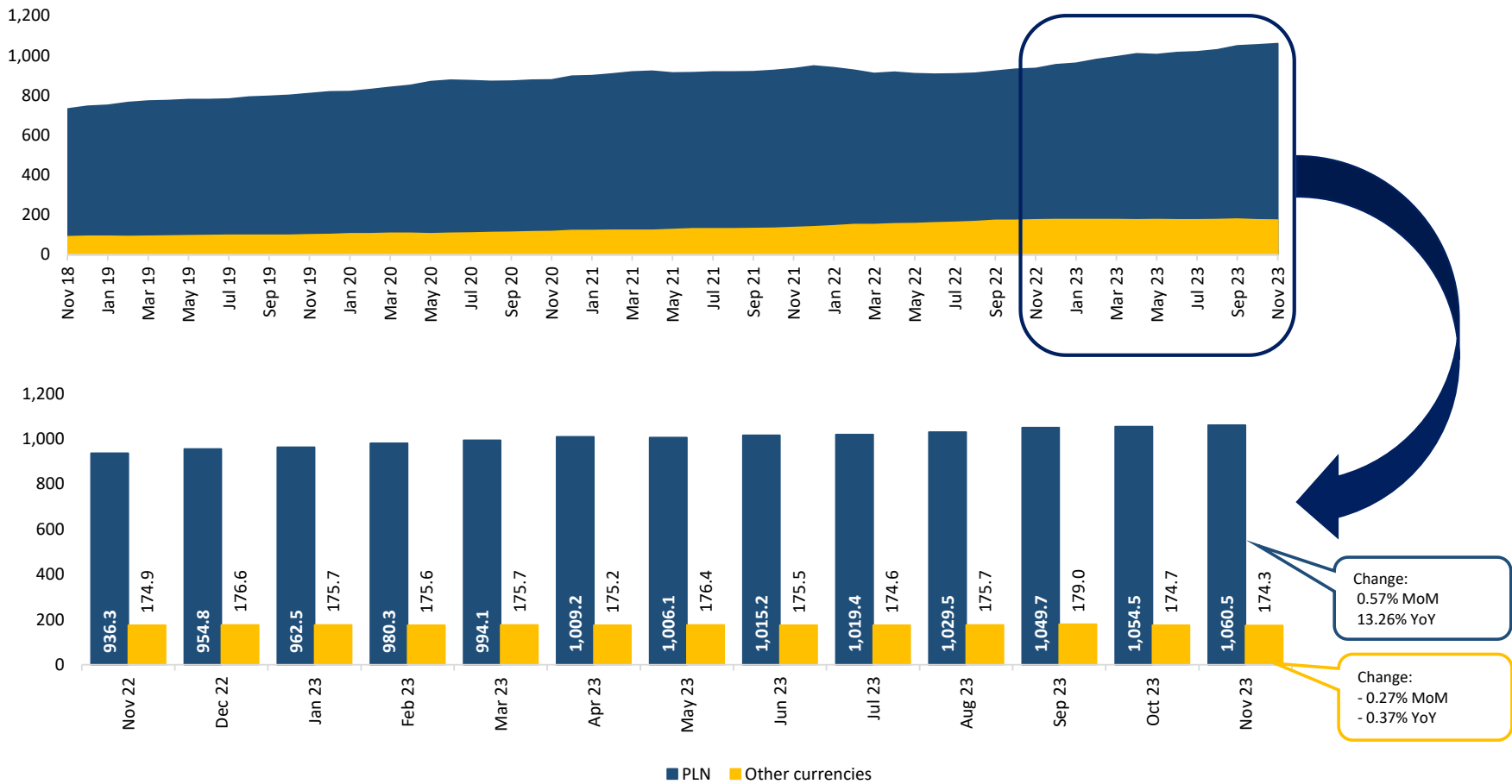
- In November 2023, the loan-to-deposit ratio decreased to 62.0% (-0.2 pp MoM; -8.6 pp YoY).
- Non-financial sector deposits (including blocked deposits) in November 2023 increased by PLN 0.7 bn, to PLN 1 793.0 bn (+0.04% MoM; +10.0% YoY).
- Volume of households' deposits (68.9% of total non-financial sector deposits) increased in November by PLN 5.6 bn (+0.46% MoM; +11.1% YoY).

# Non-financial sector deposits



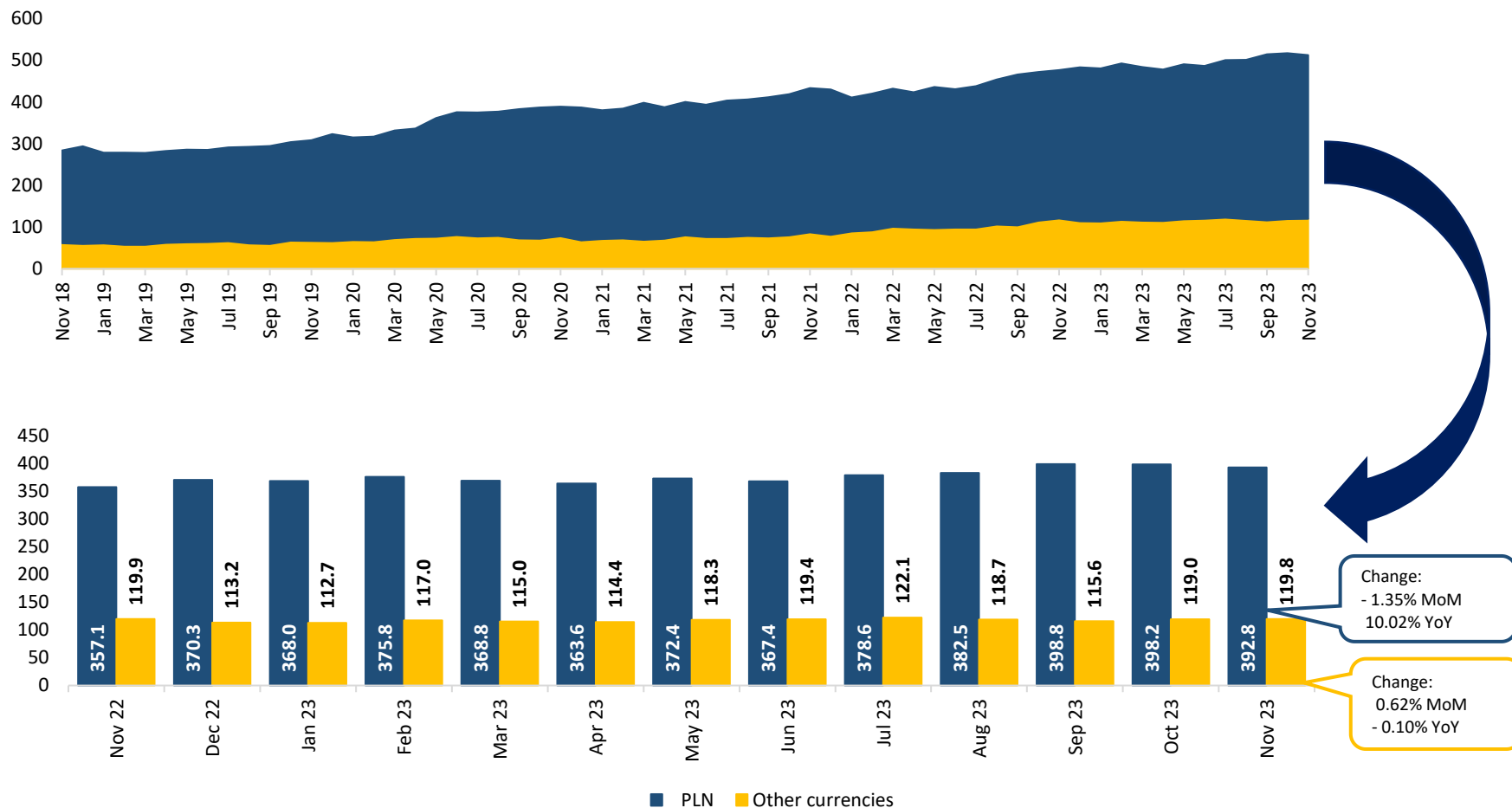
# Non-financial sector deposits

Households' deposits (PLN bn)



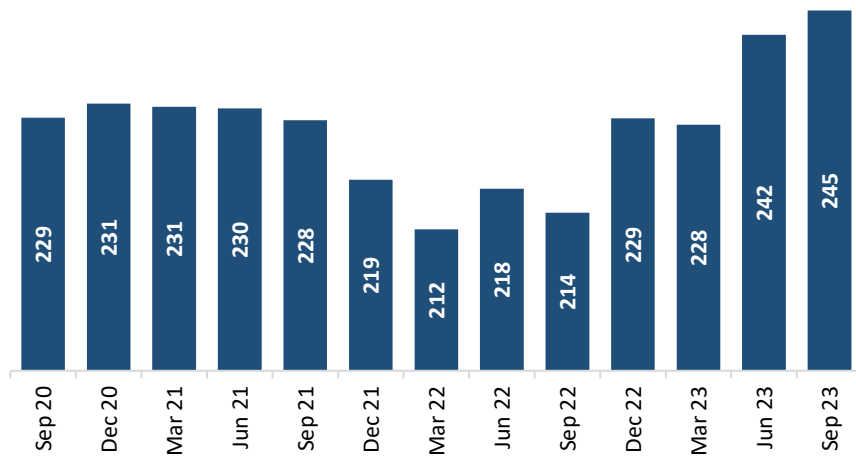
# Non-financial sector deposits

## Enterprises' deposits (PLN bn)



# Capital adequacy: commercial and cooperative banks

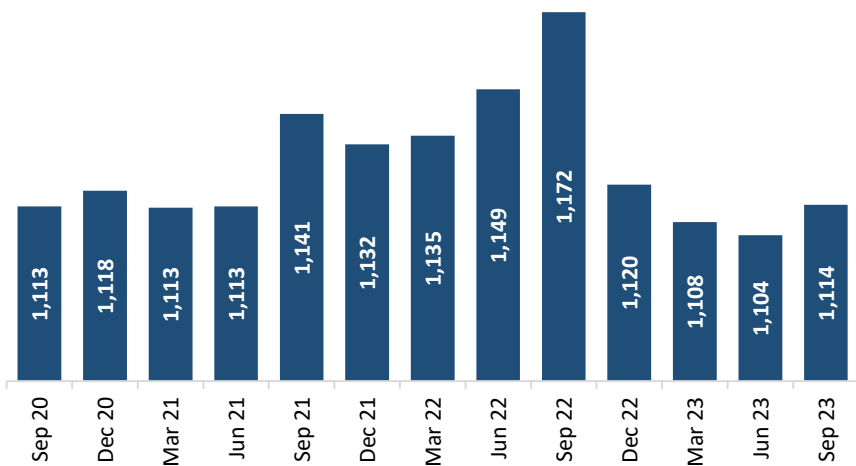
## Own funds (PLN bn)



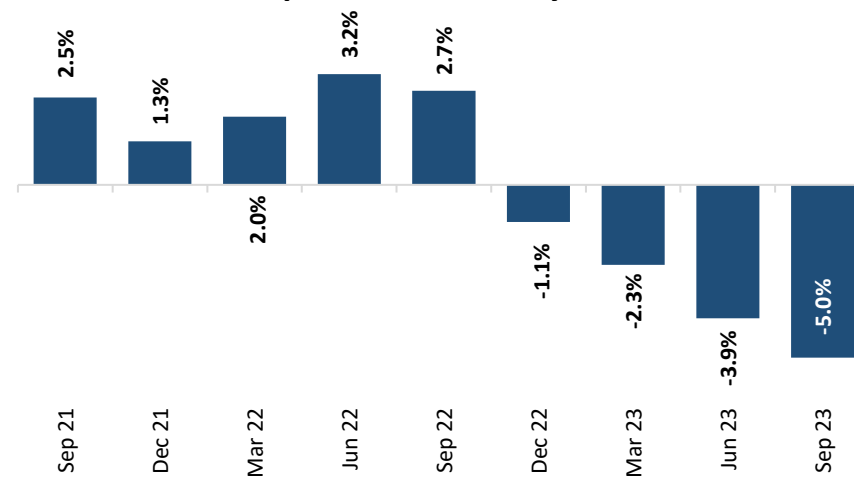
## Own funds dynamics YoY



## Total risk exposure amount (PLN bn)

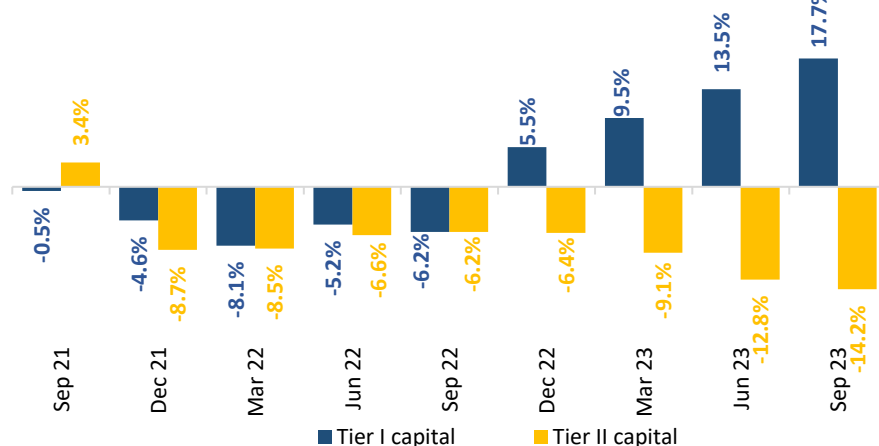


## Total risk exposure amount dynamics YoY

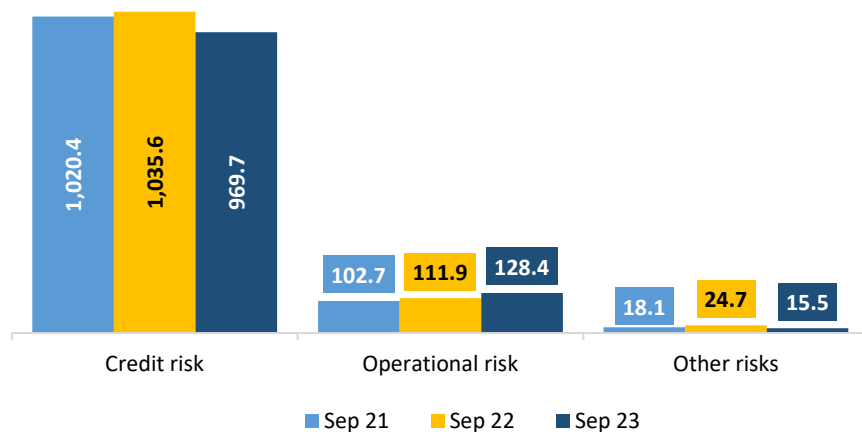


# Capital adequacy: commercial and cooperative banks

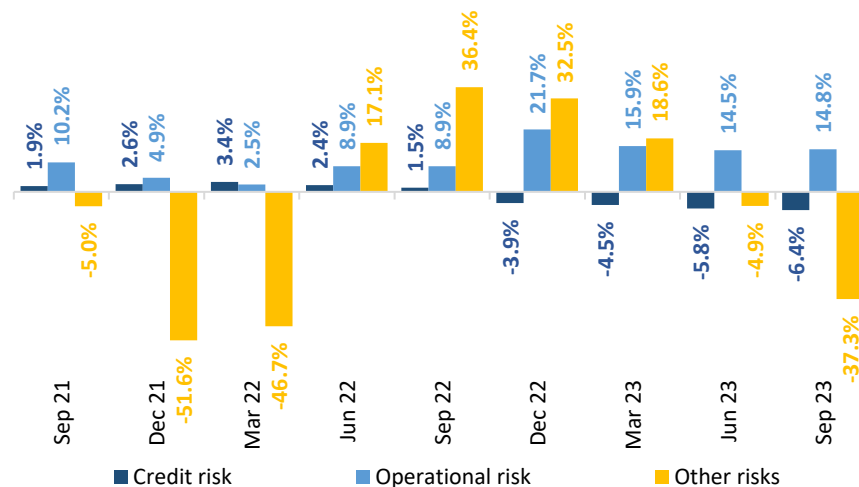
## Tier I capital and Tier II capital dynamics YoY



## Risk exposure amount (PLN bn)



## Risk exposure amount dynamics YoY



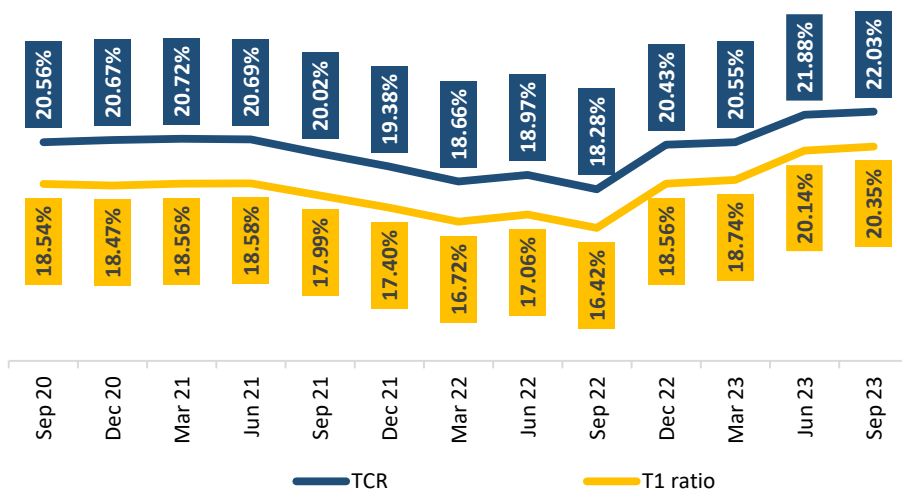
In the third quarter of 2023:

- further increase in operational risk exposure and decrease in credit risk exposure amount,
- own funds increase – by PLN 3.7 bn.

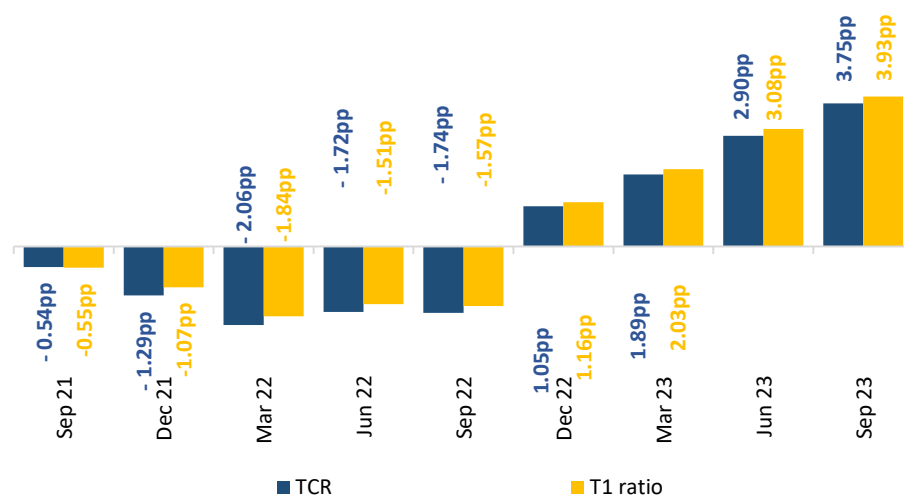
Capital situation of the banking sector remains stable.

# Capital adequacy: commercial and cooperative banks

## Capital adequacy ratios



## Changes in capital adequacy ratios YoY (p.p.)

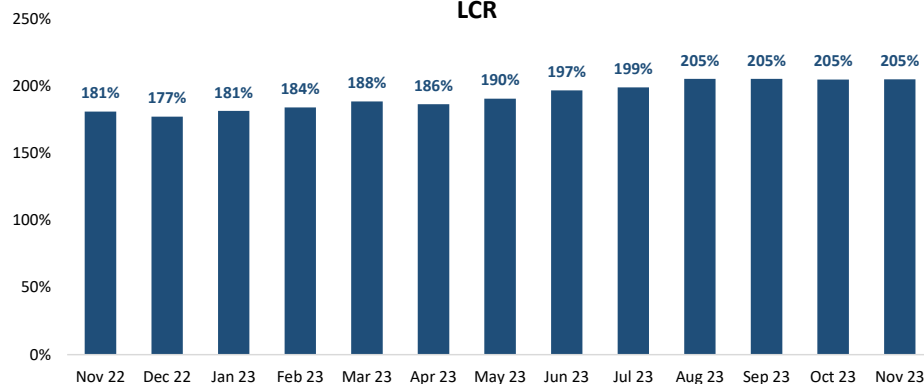


As at the end of September 2023, capital adequacy ratios of the sector were 22.03% (TCR) and 20.35% (T1).

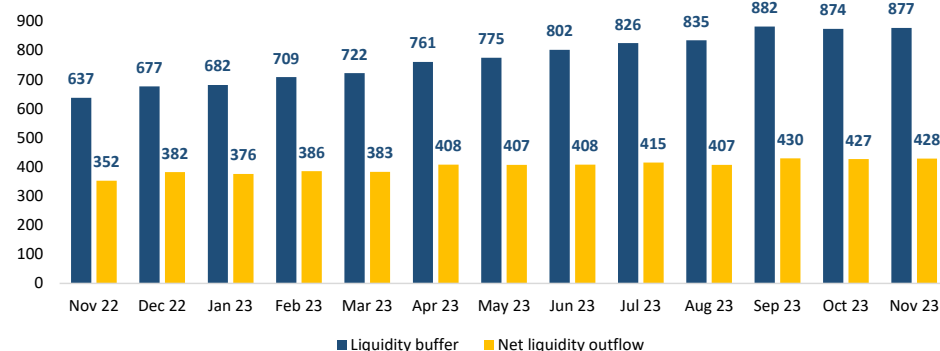


# Liquidity

LCR

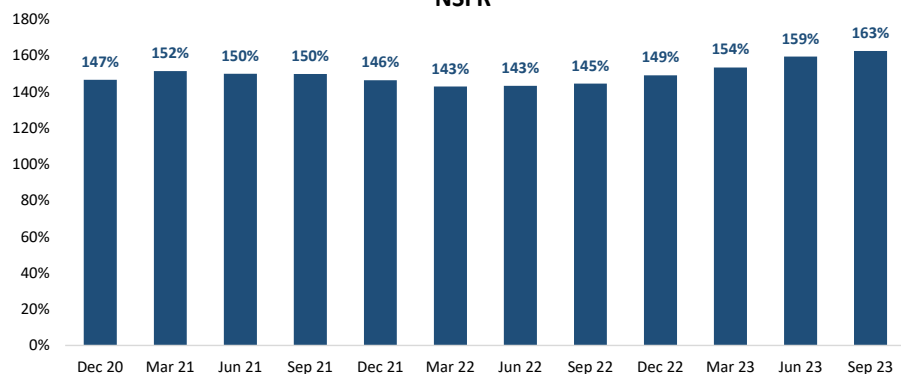
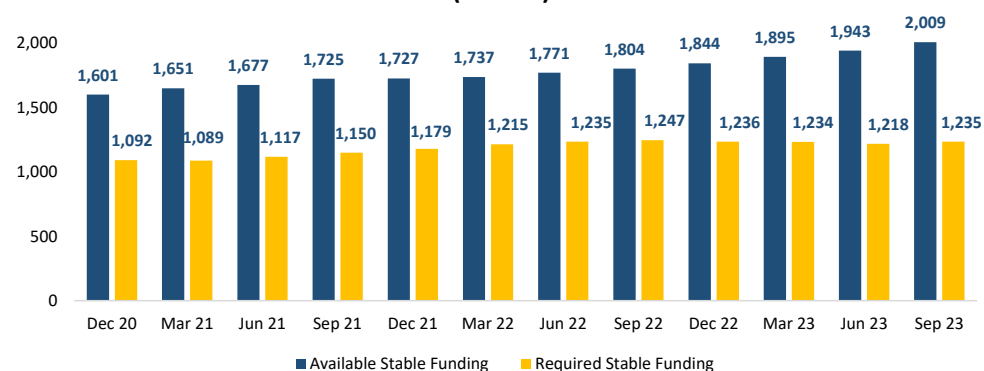


Liquidity buffer and net liquidity outflow  
(PLN bn)



- At the end of November 2023, all commercial banks fulfilled the binding LCR requirement. For many months, the average LCR in the sector has been above the minimum requirement – 100%.
- At the end of November 2023, LCR for commercial banks (excluding affiliating banks) amounted to 205%.

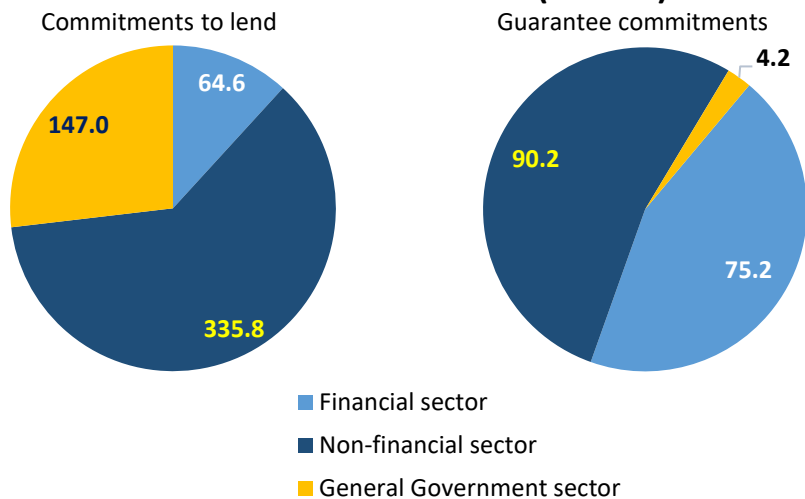
# Liquidity

**NSFR**

**Available Stable Funding to Required Stable Funding (PLN bn)**


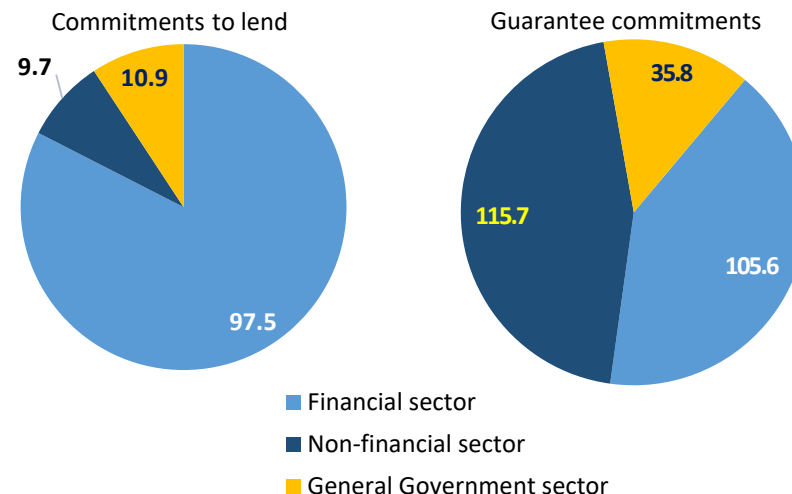
- For many months, the average NSFR in the commercial banks sector (excluding affiliating banks) has been above the 100% requirement, as required since 28 June 2021.
- At the end of September 2023:
  - NSFR of all commercial banks amounted to 163%,
  - all commercial banks fulfilled the requirement (100%).

# Off-balance-sheet commitments

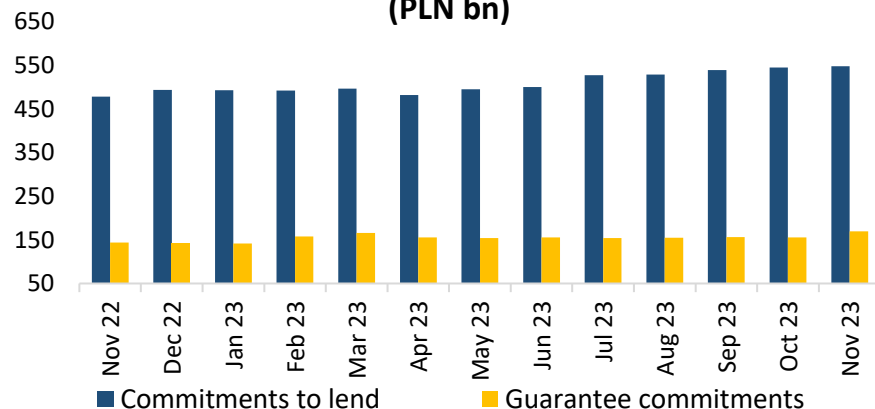
**Off-balance-sheet commitments; November 2023**  
**Commitments extended (PLN bn)**



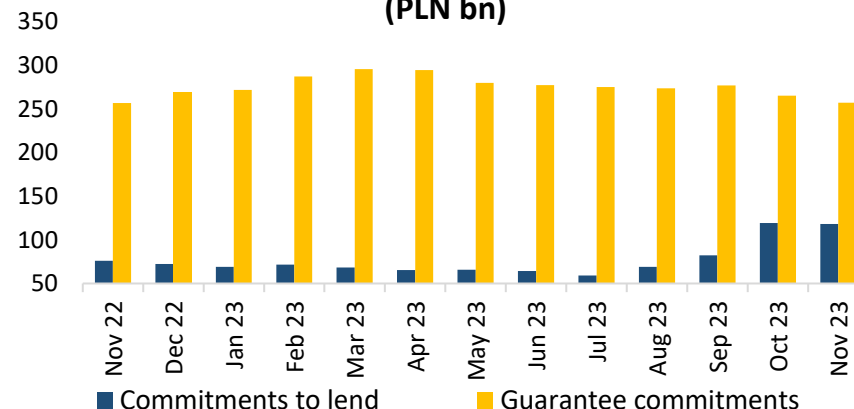
**Off-balance-sheet commitments; November 2023**  
**Commitments received (PLN bn)**



**Off-balance-sheet commitments: commitments extended**  
**(PLN bn)**

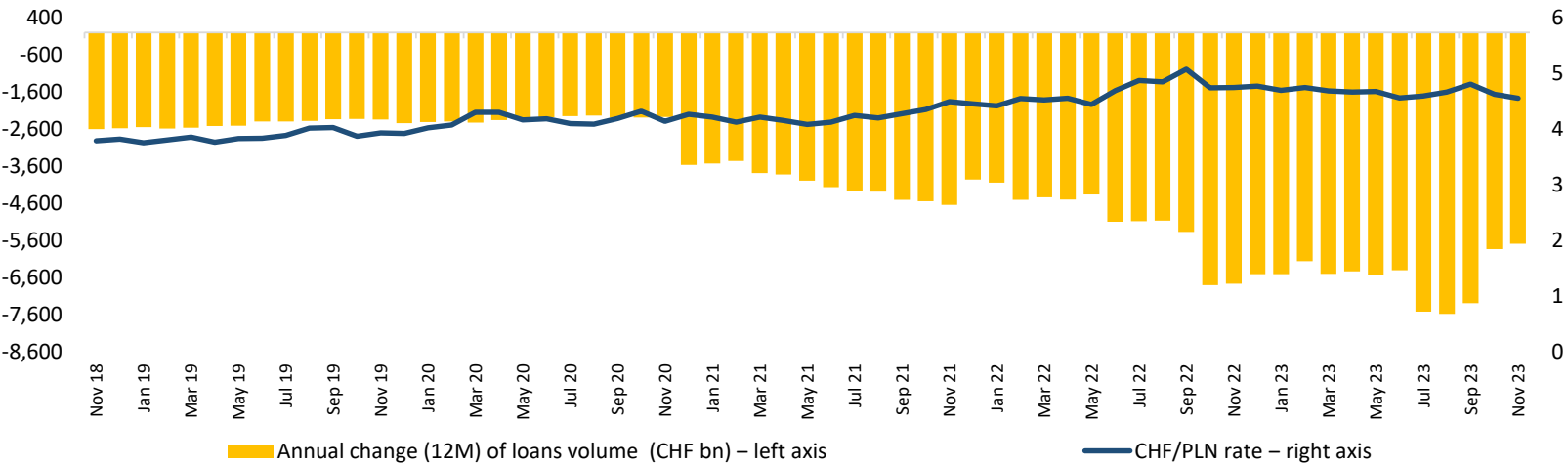
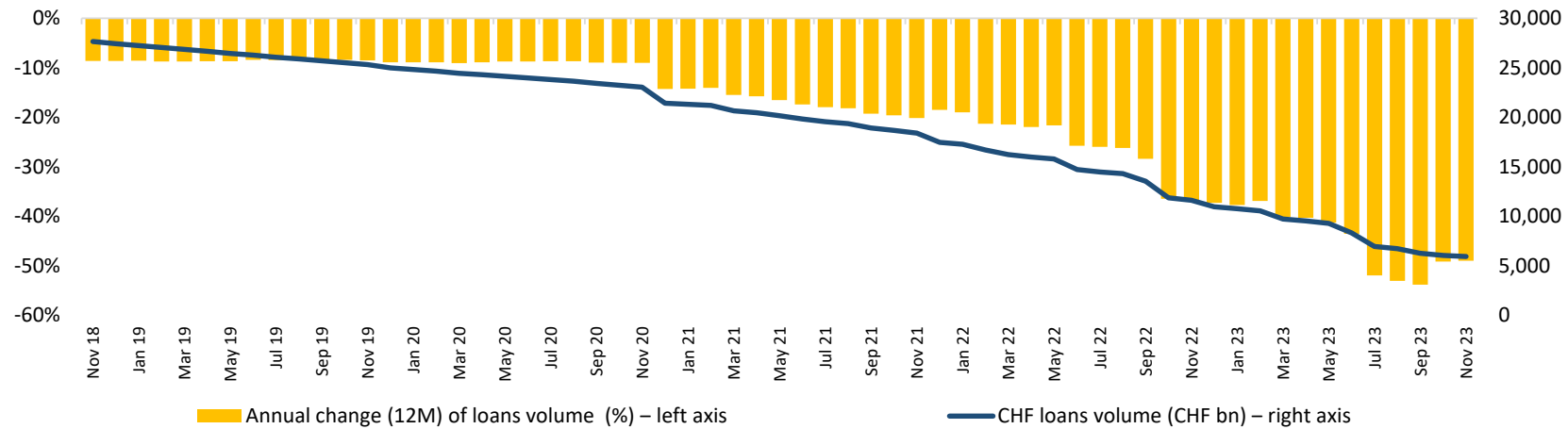


**Off-balance-sheet commitments: commitments received**  
**(PLN bn)**



# Additional information

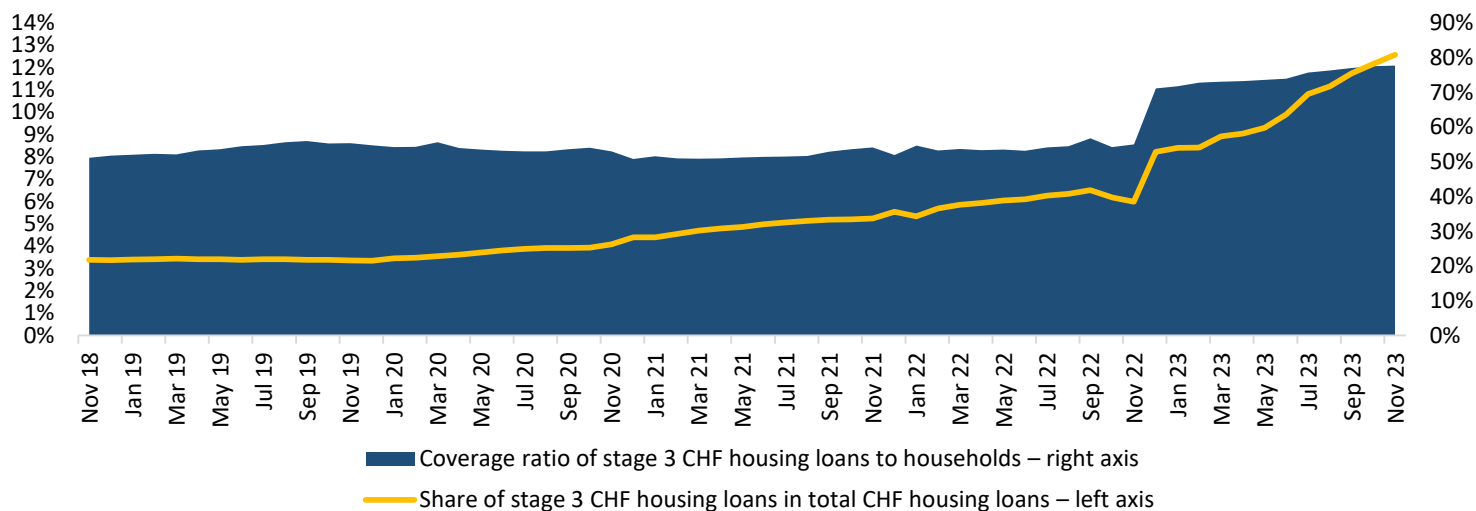
Housing loans to households in CHF - portfolio evolution



! Due to the application of IFRS 9 to legal risk provisions, banks decreased the gross balance sheet value by the value of such provisions in the period from December 2020 to November 2023.

# Additional information

## Quality and coverage ratio of CHF housing loans to households



## Number and volume of CHF housing loans to households

