

UKNF

URZĄD
KOMISJI
NADZORU
FINANSOWEGO

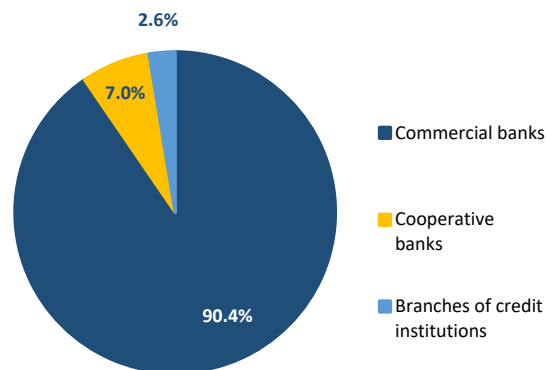
POLISH FINANCIAL SUPERVISION AUTHORITY

Banking sector data December 2023

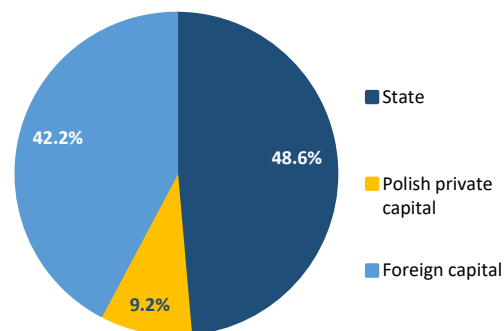
Based on the data of the National Bank of Poland reported on:
9 February 2024

Banking sector structure

Structure by client (share in assets)
December 2023



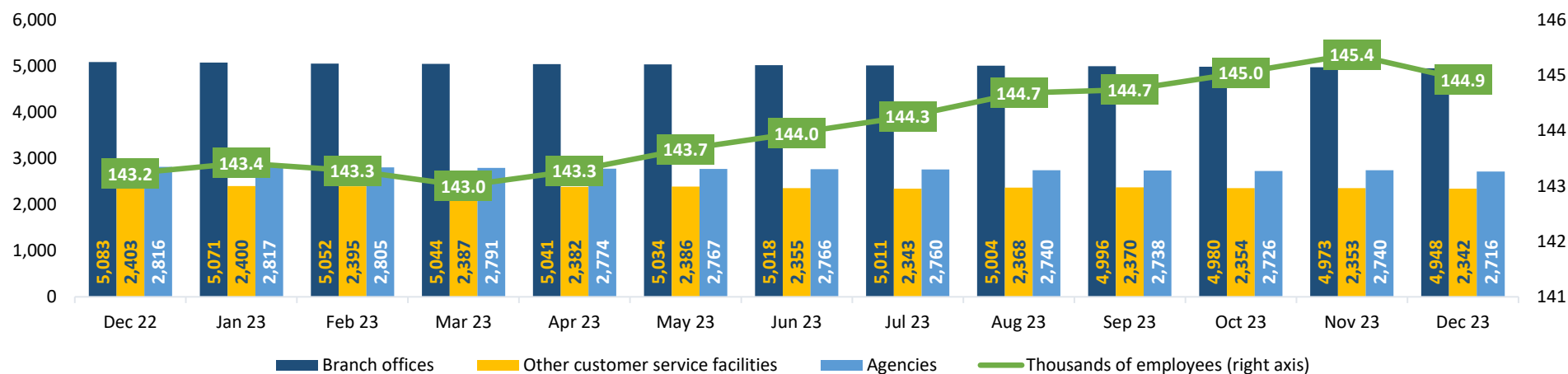
Capital origin (share in assets)
December 2023



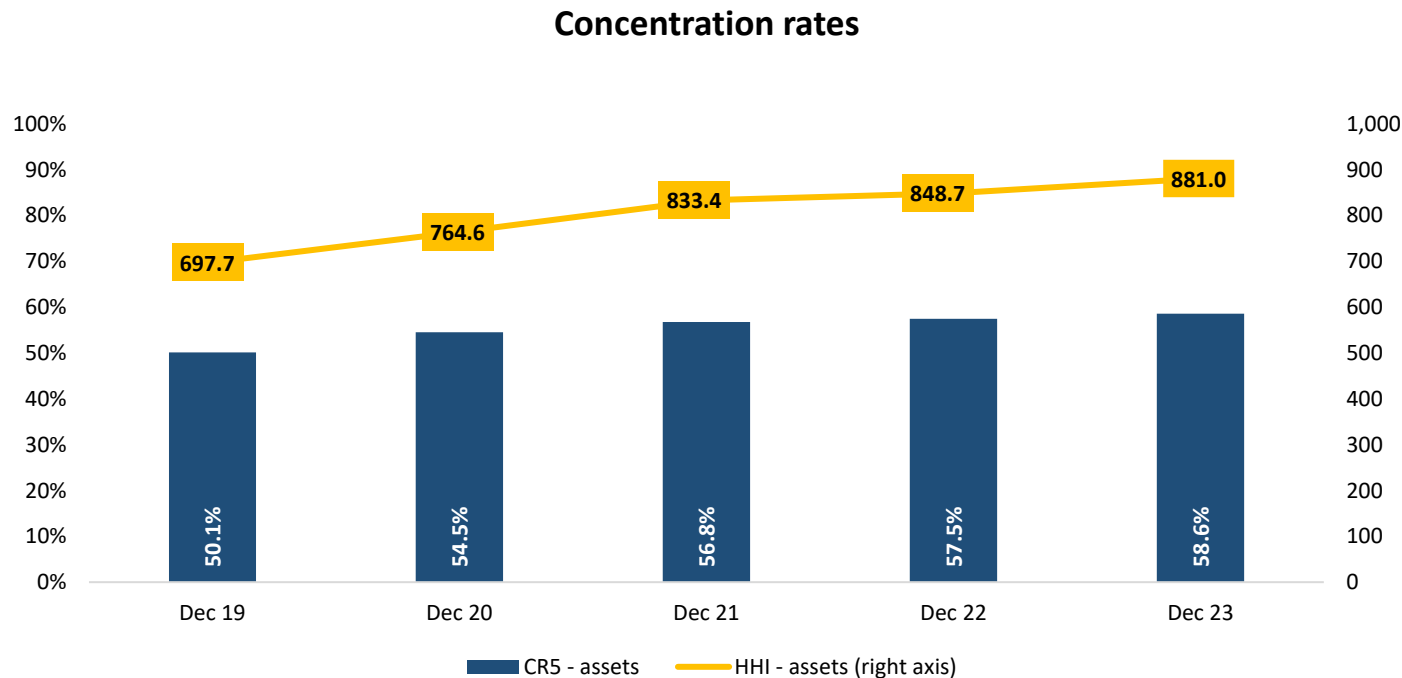
At the end of December 2023, there were:

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

Banking network



Concentration of the banking sector



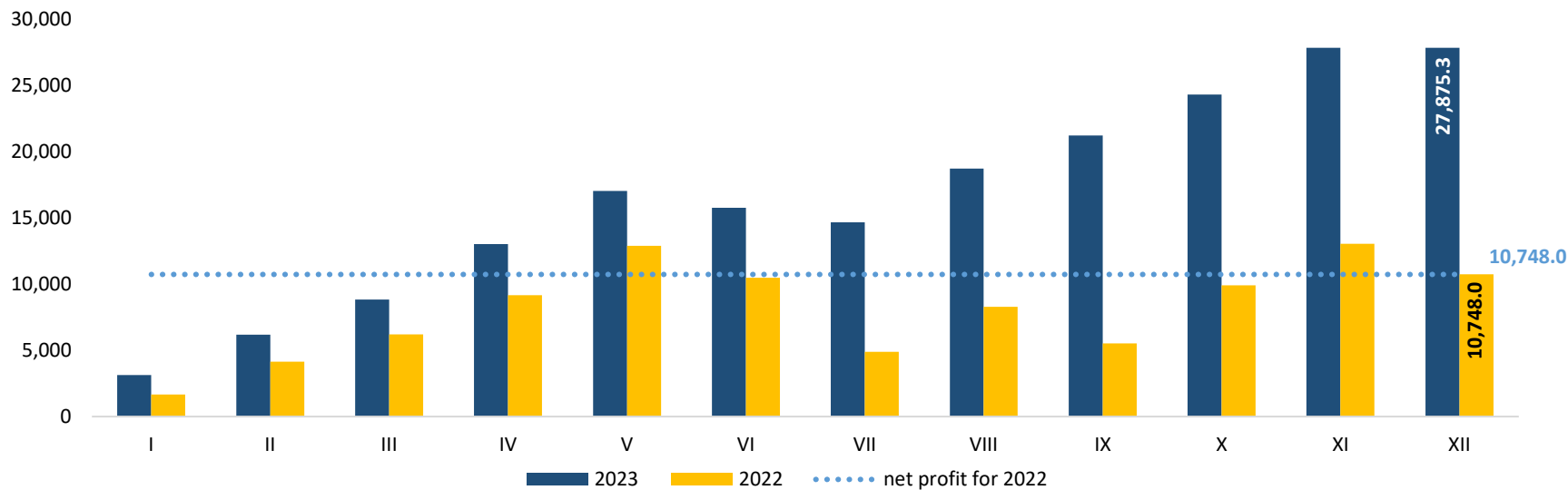
HHI – the Herfindahl-Hirschman index (the sum of squares of banks' shares in the banking sector assets) is a measure of market concentration. The index takes into account not only the number of entities but also their relative size.

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

HHI of 881.0 indicates a competitive market.

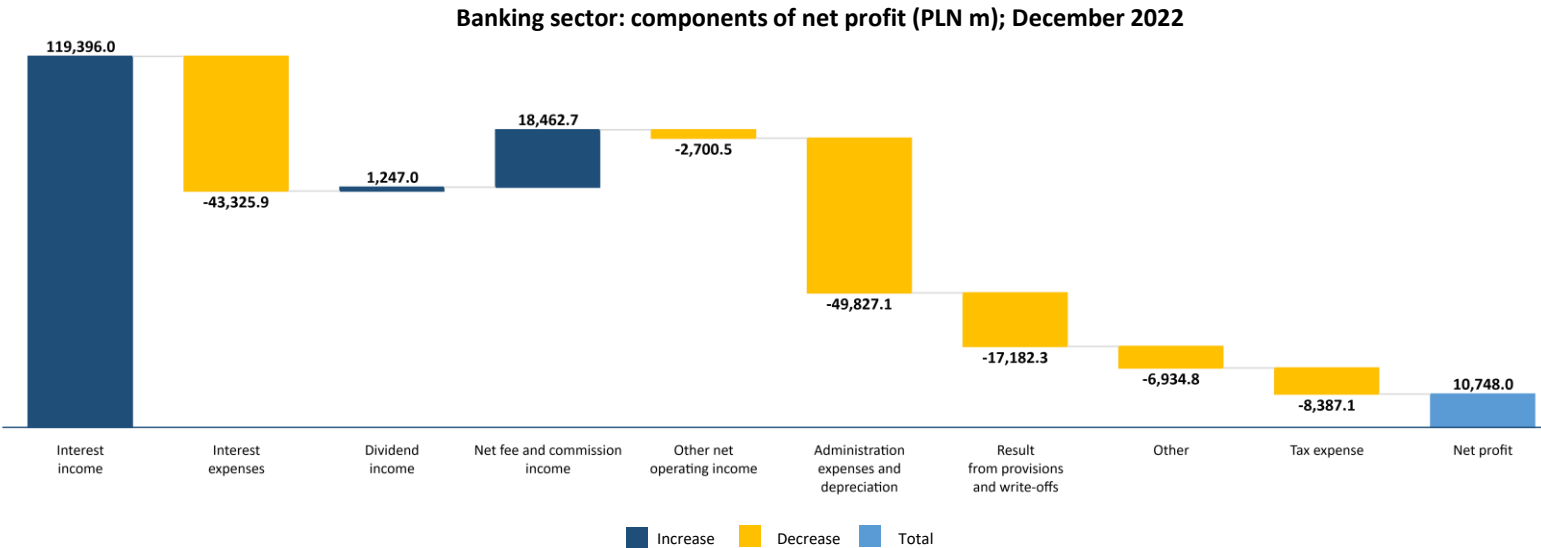
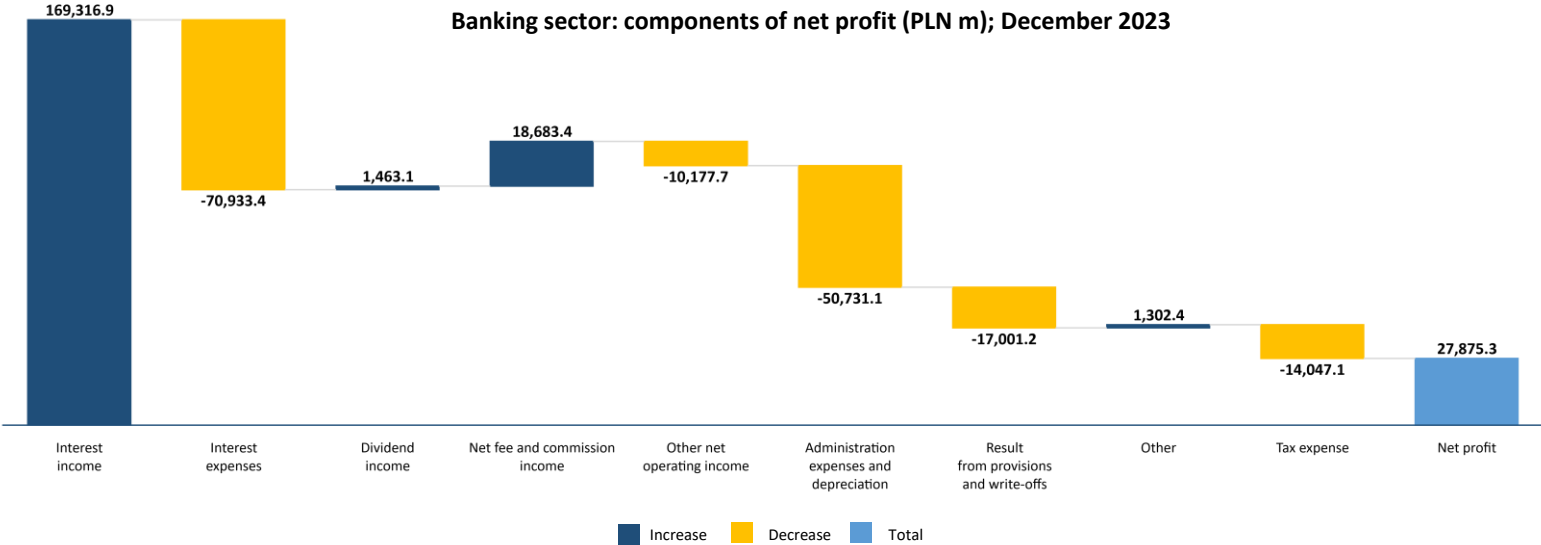
Financial result

Banking sector: net profit (PLN m)



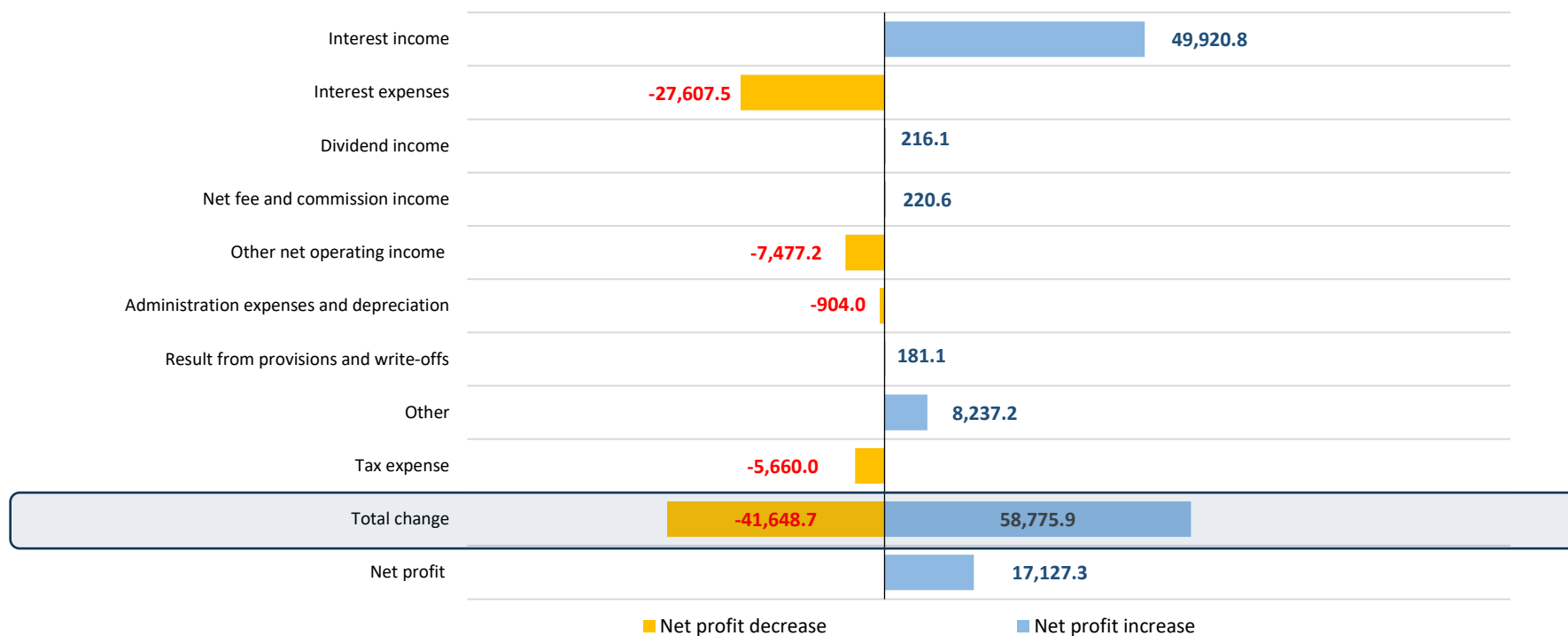
The net financial result at the end of December 2023 amounted to PLN 27.9 bn. It was higher by PLN 17.1 bn (+159.4% YoY) than the profit achieved by the sector at the end of December 2022 and higher by PLN 14.9 m than the profit achieved at the end of November 2023 (+ 0.1% MoM).

Financial result



Financial result

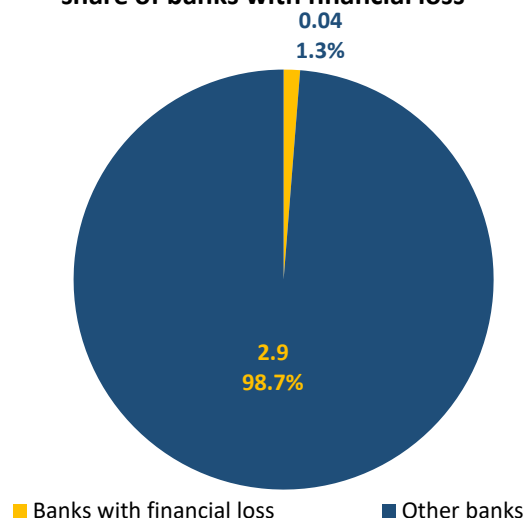
Banking sector: impact of changes in individual items of P&L on the financial result – YoY (PLN m); December 2023



Financial result

- At the end of December 2023, commercial banks reported a total loss of PLN 6.4 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 36.8 bn.

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

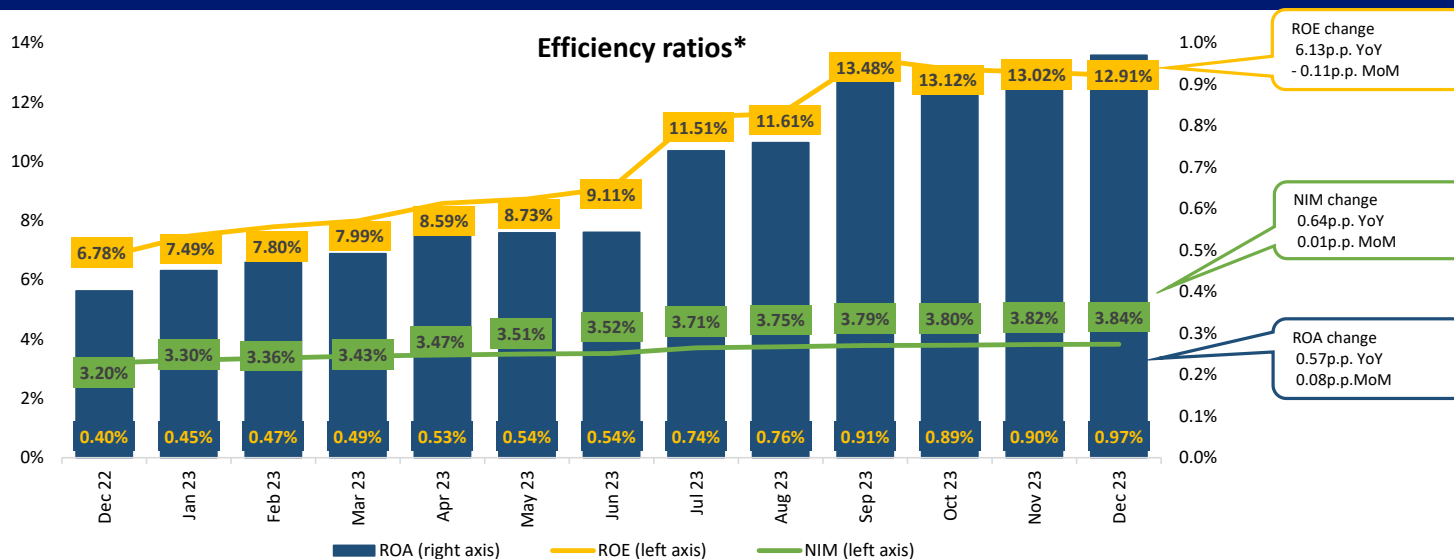


At the end of December 2023, the share of loss-making banks was equal to:

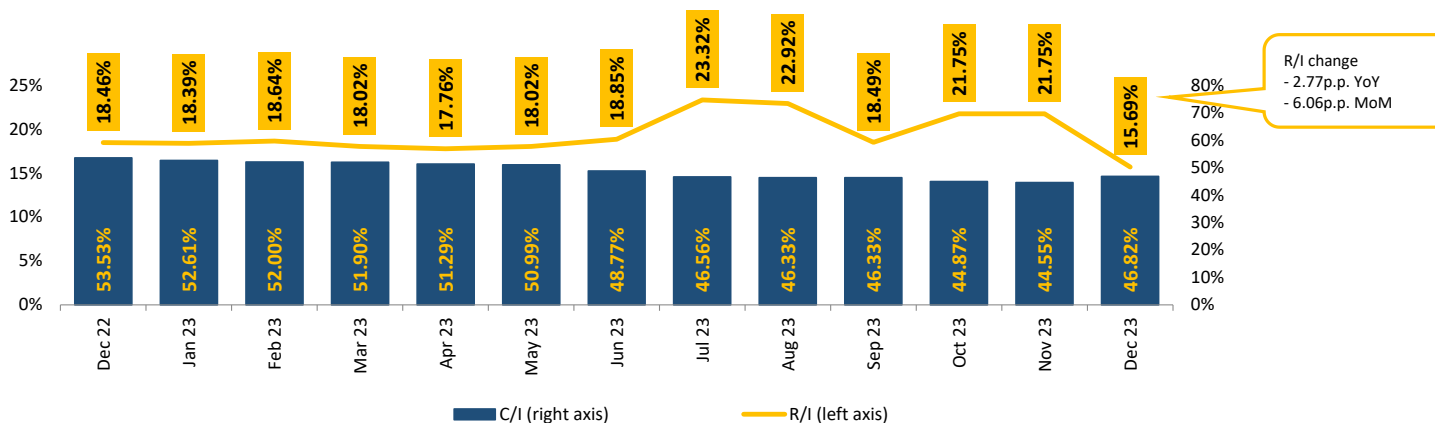
- 1.2% of the portfolio of receivables from the non-financial sector at commercial and cooperative banks;
- 0.4% of the portfolio of non-financial sector deposits at commercial and cooperative banks.

*/ 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.

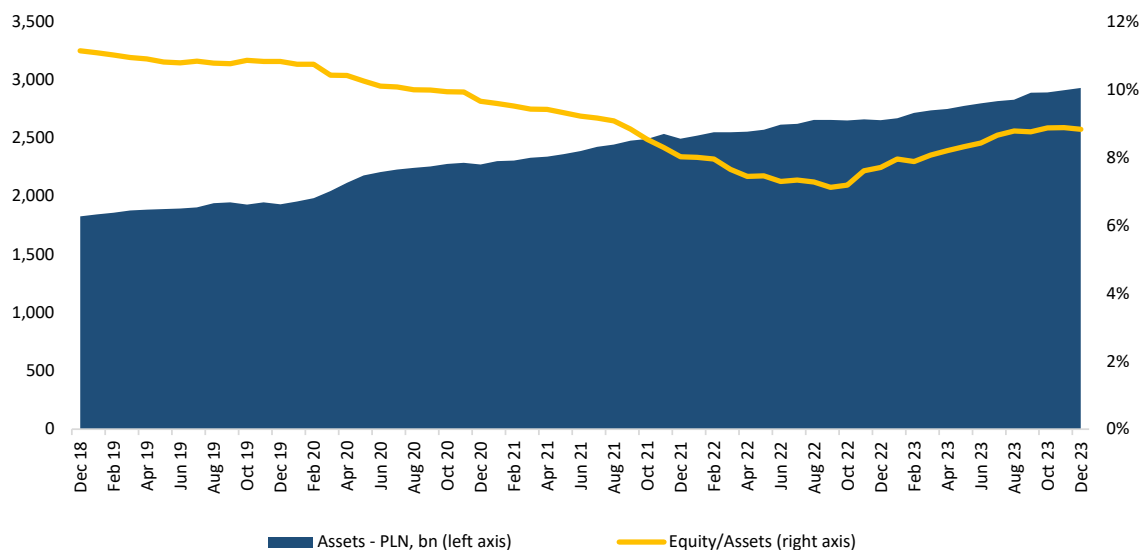
NIM ratio: net interest income over 12 subsequent months in relation to average interest assets over 13 subsequent months.

**/ 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.

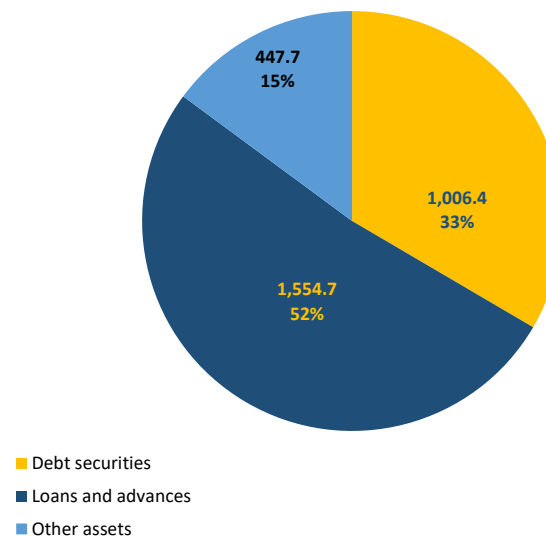
Balance sheet

Equity vs total assets, commercial and cooperative banks

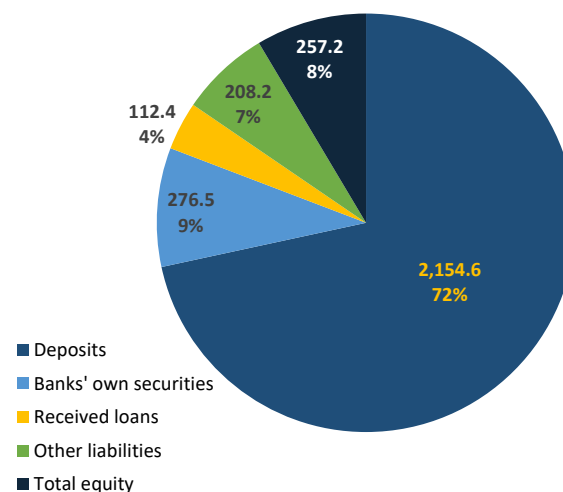


Balance sheet total (PLN bn)	Balance sheet total December 2023	Change MoM	Change YoY
Banking sector	3,008.8	19.5	10.1%
Commercial banks	2,721.1	17.3	10.3%
Cooperative banks	209.4	2.7	12.4%
Branches of credit institutions	78.3	-0.4	-2.8%

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

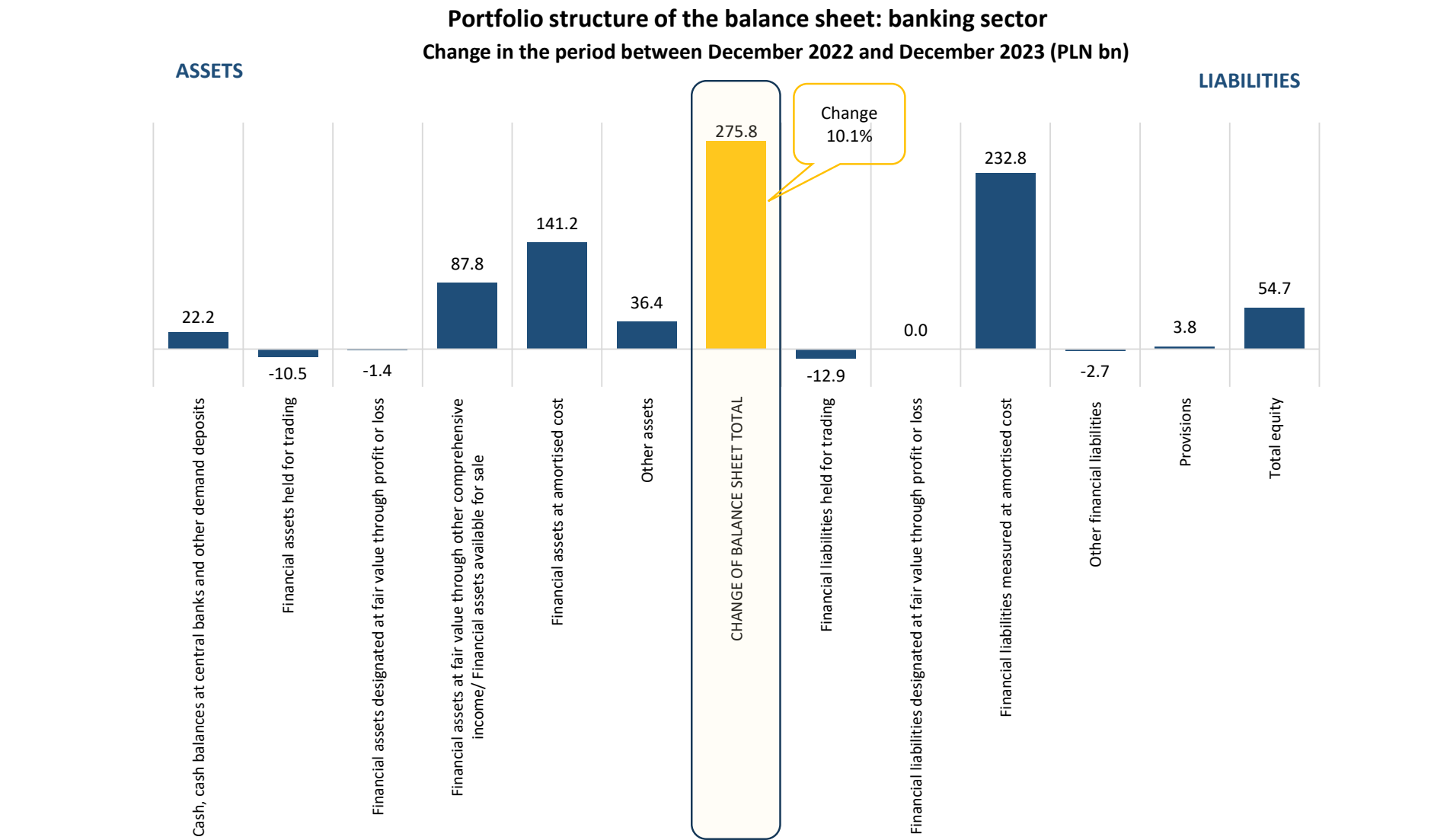


Balance sheet structure: liabilities*
(PLN bn), December 2023



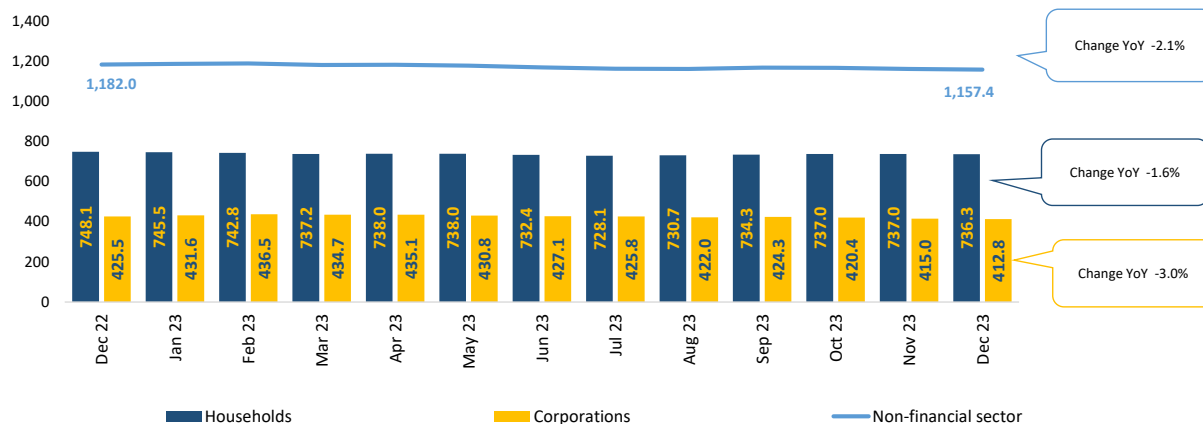
*/ commercial and cooperative banks

Balance sheet: YoY changes

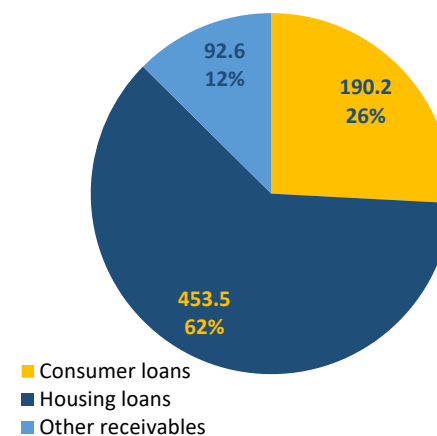


Balance sheet: loans to the non-financial sector

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



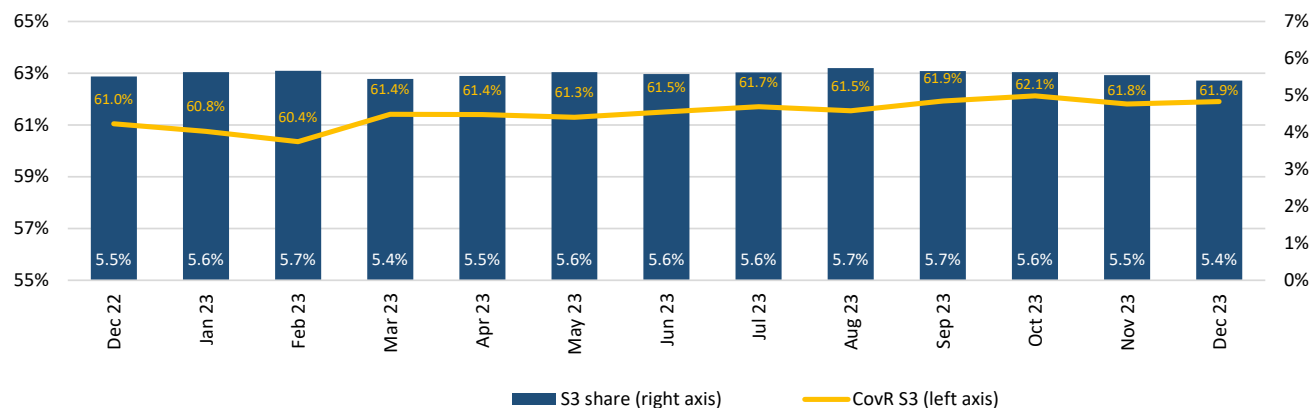
Gross receivables from households – portfolio B* (PLN bn)
December 2023



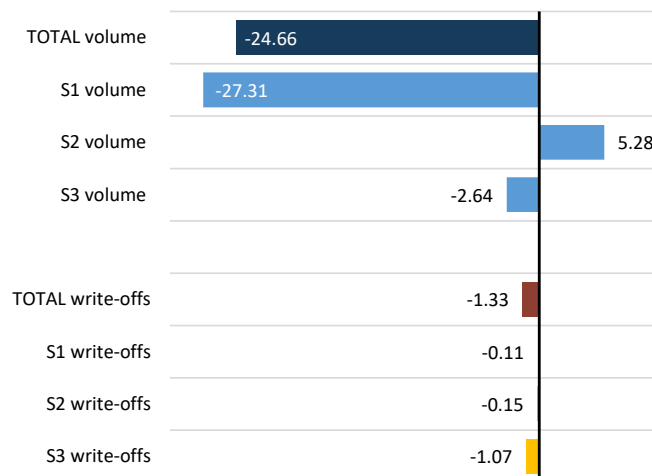
The gross volume of loans to the non-financial sector decreased by PLN 3.02 bn (-0.3% MoM) in December 2023.

Non-financial sector receivables quality

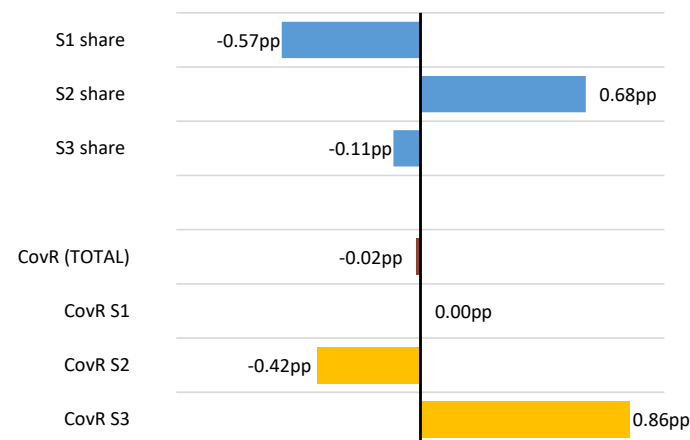
TOTAL* receivables from the non-financial sector – quality of receivables and coverage ratio



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



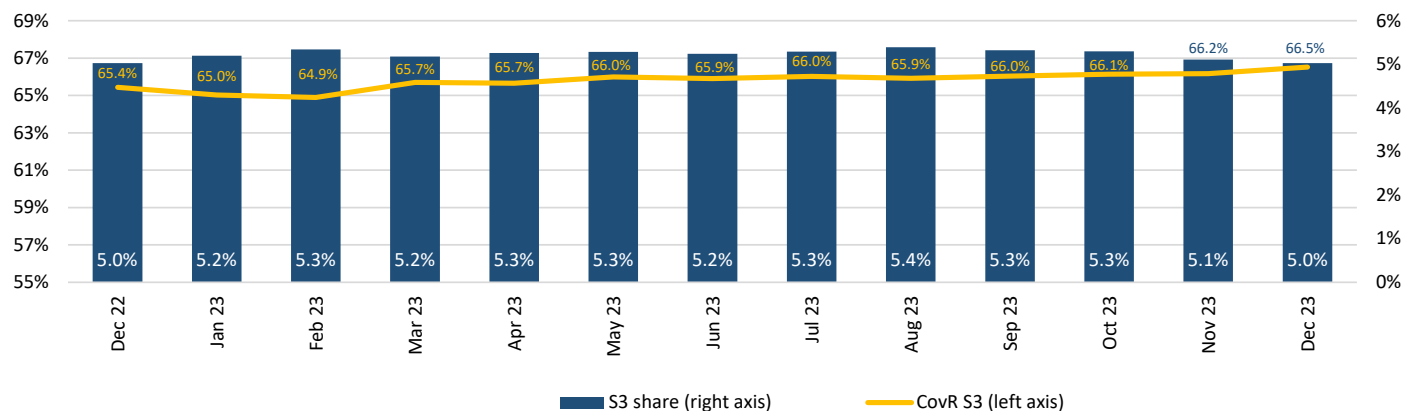
Change in the share of stages and coverage with write-offs in the period between December 2022 and December 2023 (pp)



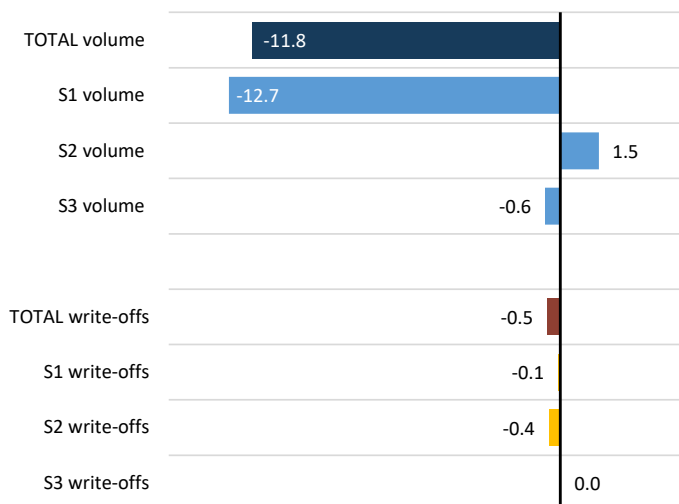
**/ at amortised cost and fair value through other comprehensive income; excluding debt securities.*

Non-financial sector receivables quality

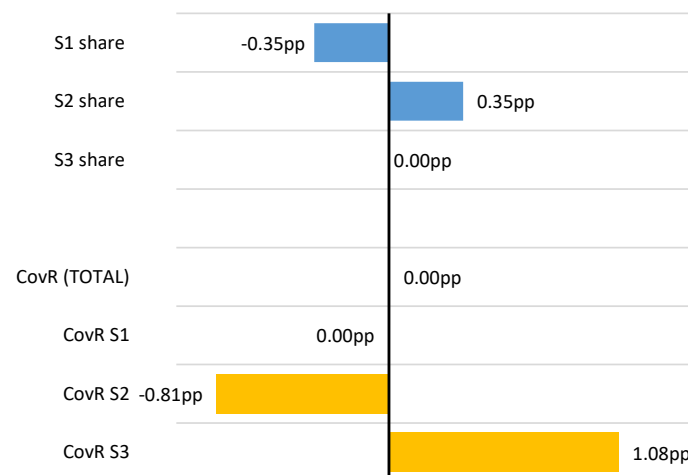
TOTAL* receivables from households – quality of receivables and coverage ratio



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



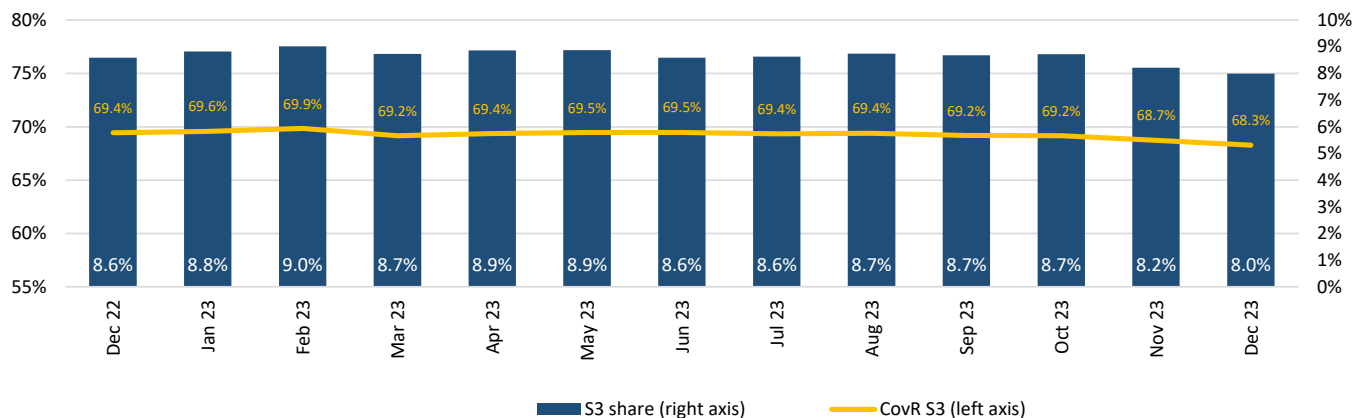
Change in the share of stages and coverage with write-offs in the period between December 2022 and December 2023 (pp)



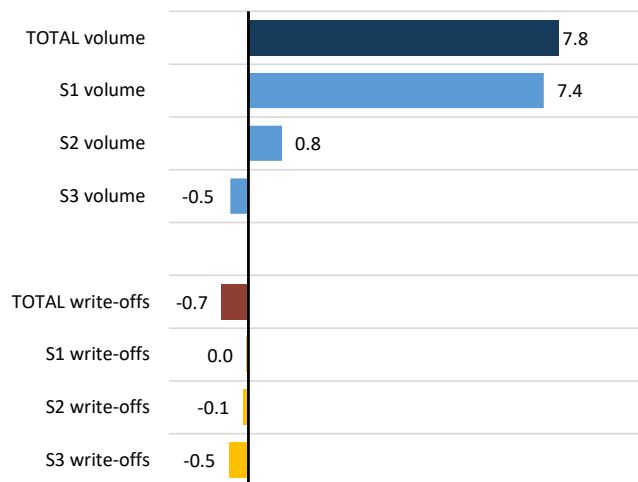
*/ at amortised cost and fair value through other comprehensive income; excluding debt securities.

Non-financial sector receivables quality

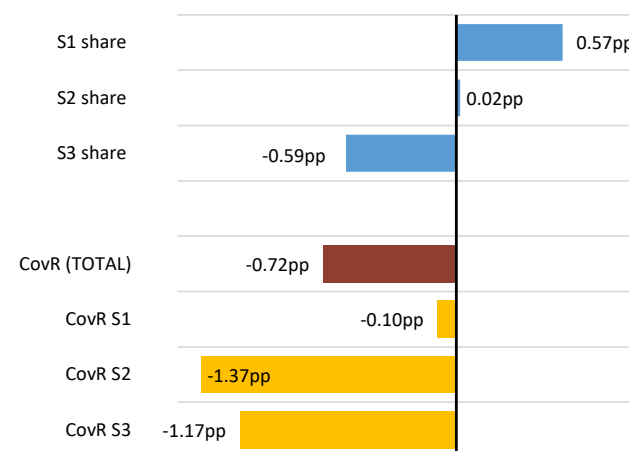
Consumer loans* – loan quality and coverage ratio



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



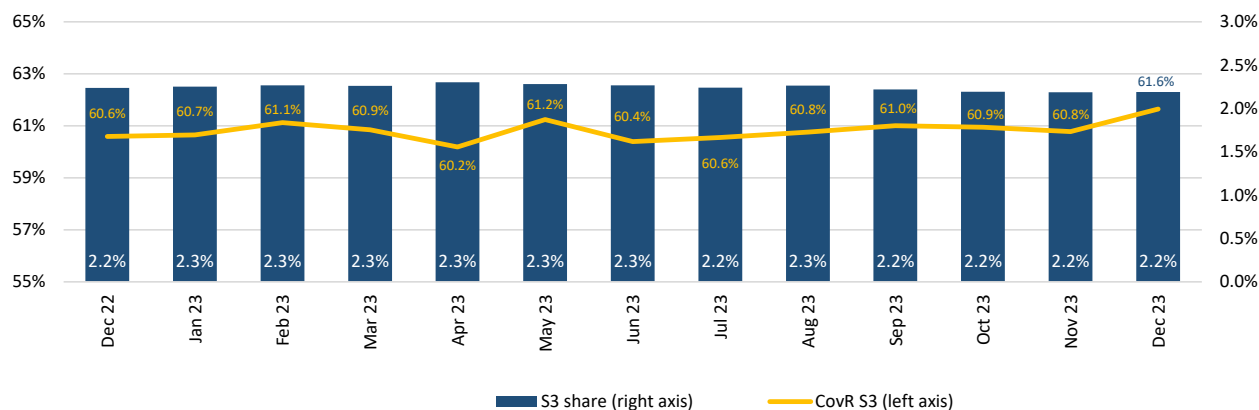
Change in the share of stages and coverage with write-offs in the period between December 2022 and December 2023 (pp)



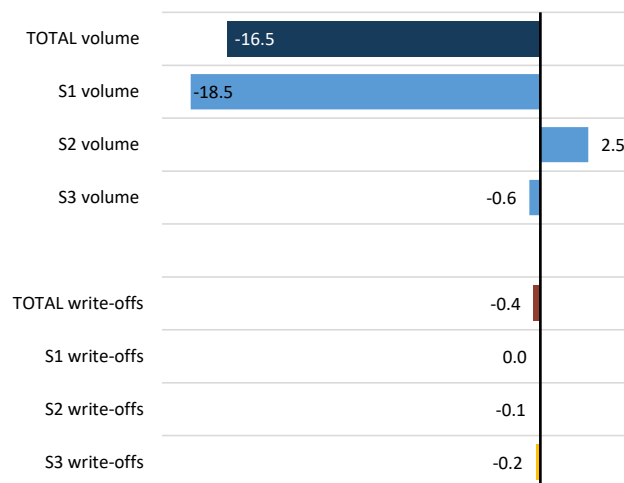
*/ at amortised cost and fair value through other comprehensive income; excluding debt securities.

Non-financial sector receivables quality

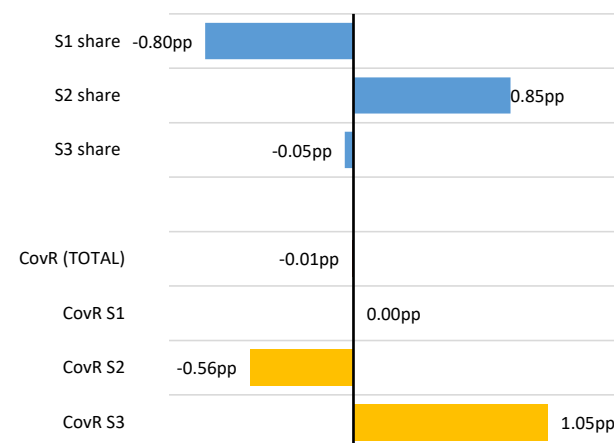
Housing loans* – loan quality and coverage ratio



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



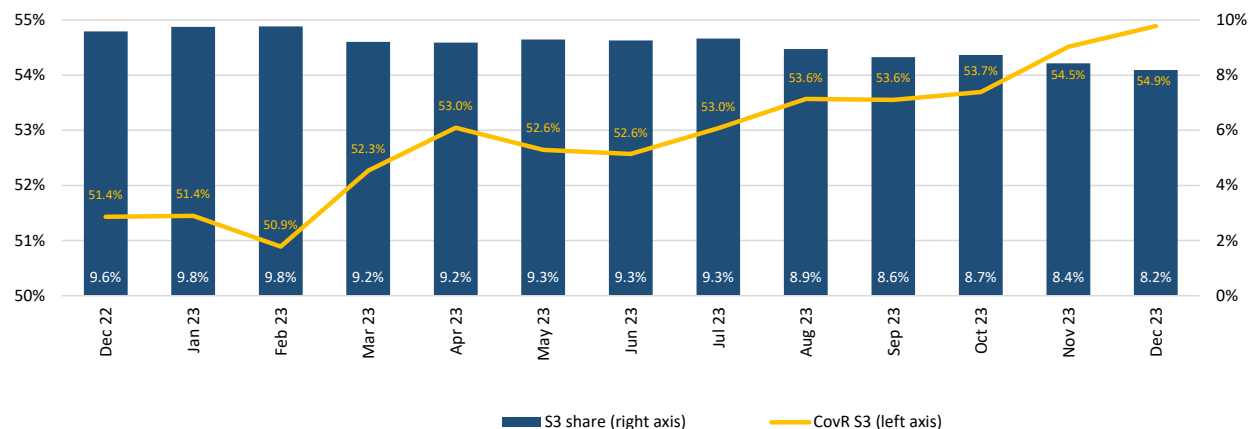
Change in the share of stages and coverage with write-offs in the period between December 2022 and December 2023 (pp)



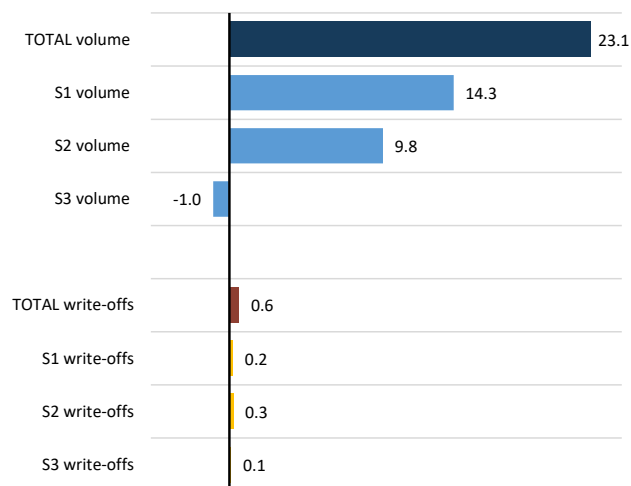
*/ at amortised cost and fair value through other comprehensive income; excluding debt securities.

Non-financial sector receivables quality

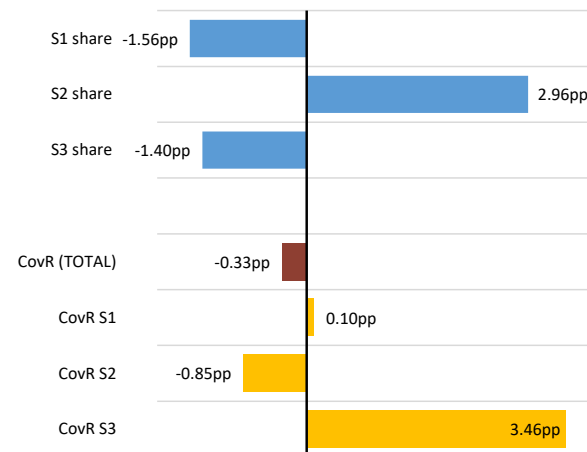
Loans to SMEs* – loan quality and coverage ratio



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



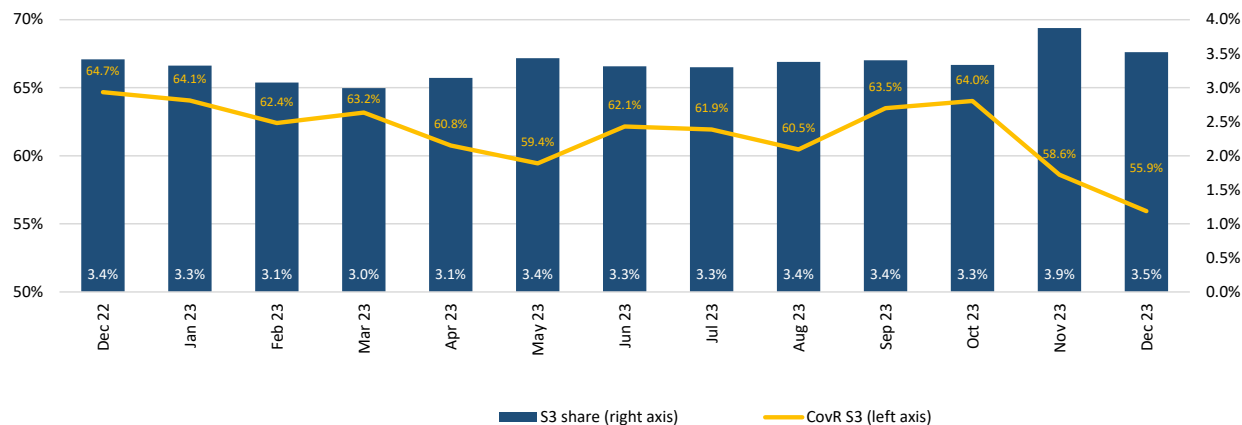
Change in the share of stages and coverage with write-offs in the period
between December 2022 and December 2023 (pp)



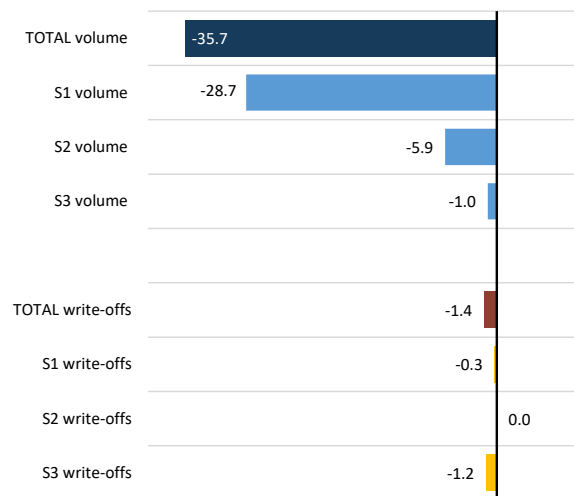
*/ at amortised cost and fair value through other comprehensive income; excluding debt securities.

Non-financial sector receivables quality

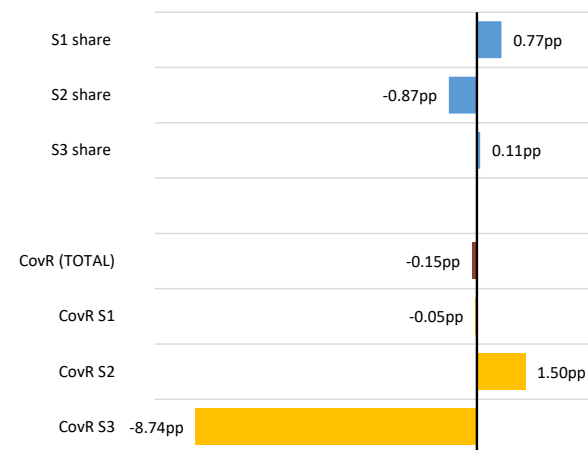
Loans to large enterprises* – loan quality and coverage ratio



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



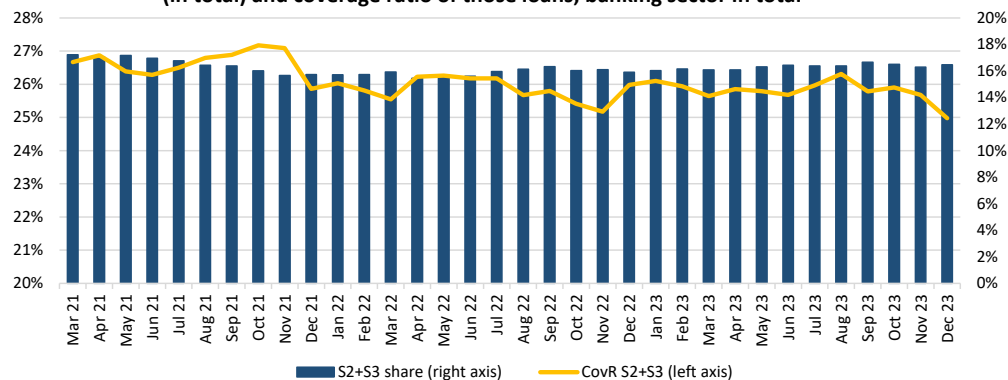
Change in the share of stages and coverage with write-offs in the period between
December 2022 and December 2023 (pp)



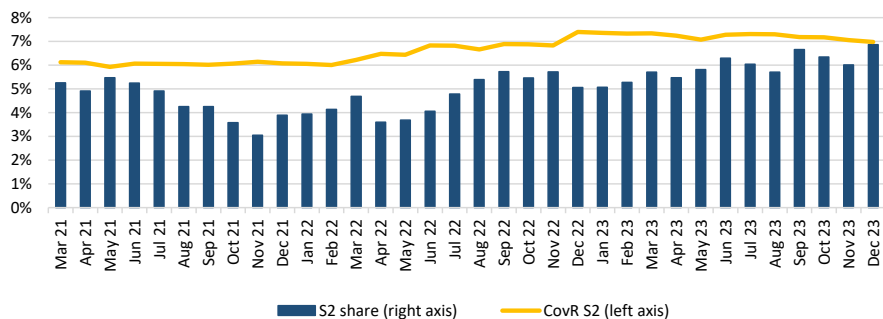
*/ at amortised cost and fair value through other comprehensive income; excluding debt securities.

Loans and advances*: non-financial sector

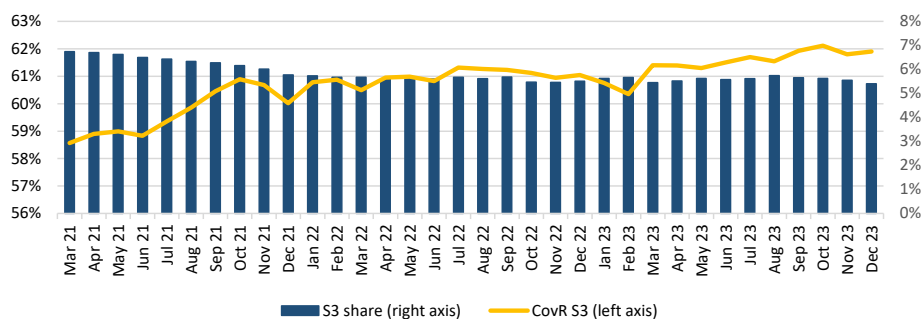
Loans and advances to the non-financial sector; share of loans in stages 2 and 3 (in total) and coverage ratio of those loans; banking sector in total



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

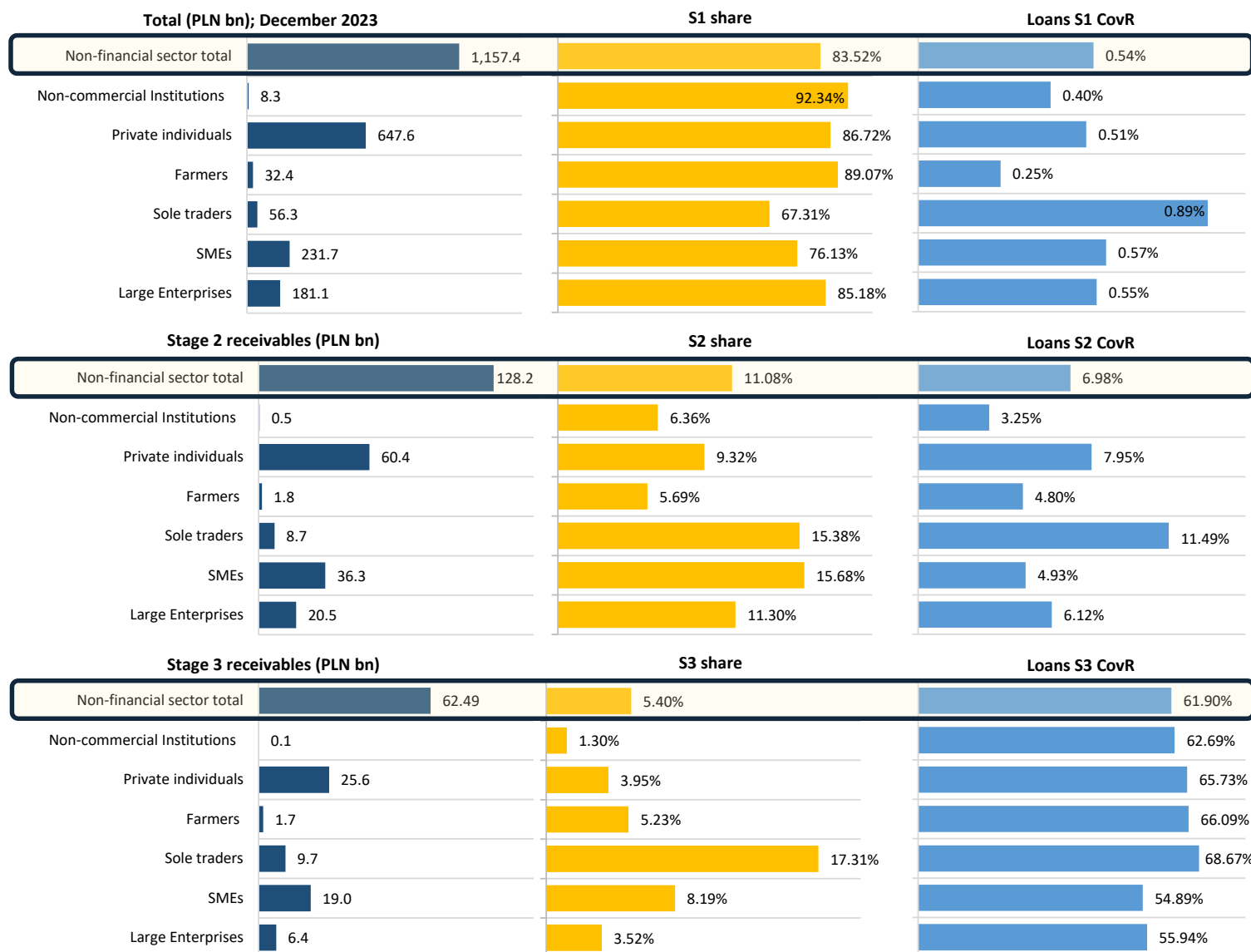


Loans and advances to the non-financial sector; share of loans in stage 3 and coverage ratio of those loans; banking sector in total



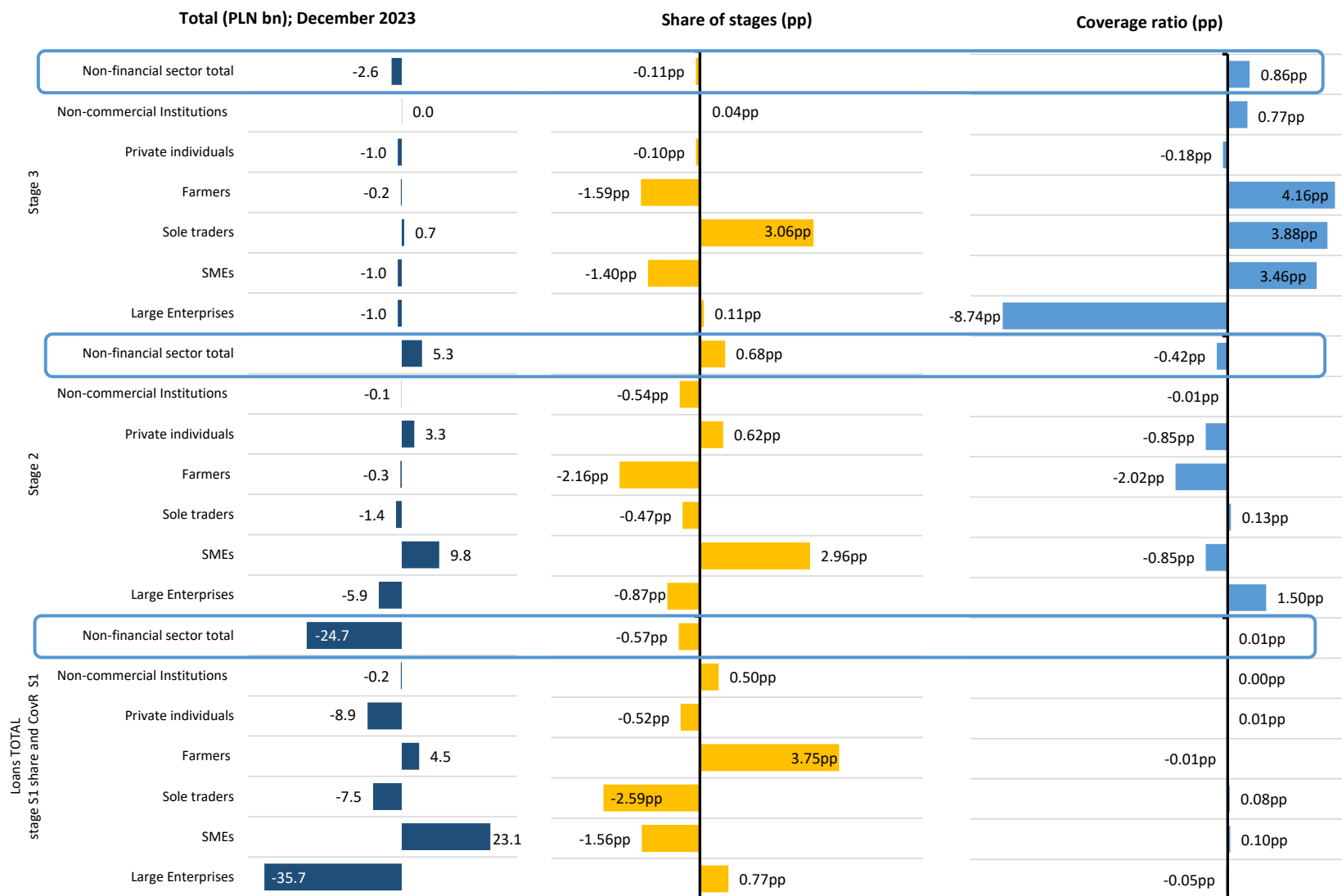
*/ at amortised cost and fair value through other comprehensive income; excluding debt securities.

Loans and advances (gross)* by client



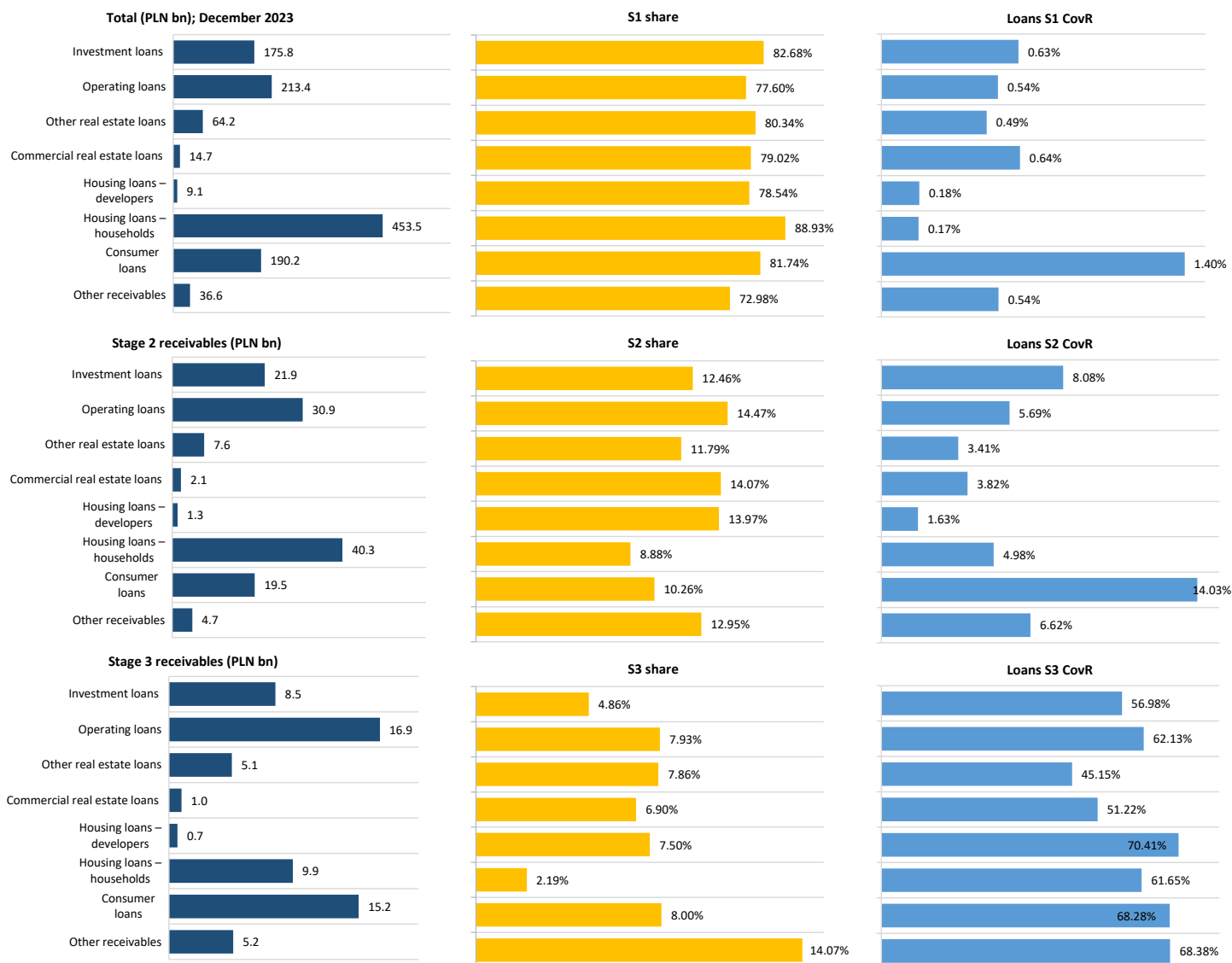
*/ at amortised cost and fair value through other comprehensive income; excluding debt securities.

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



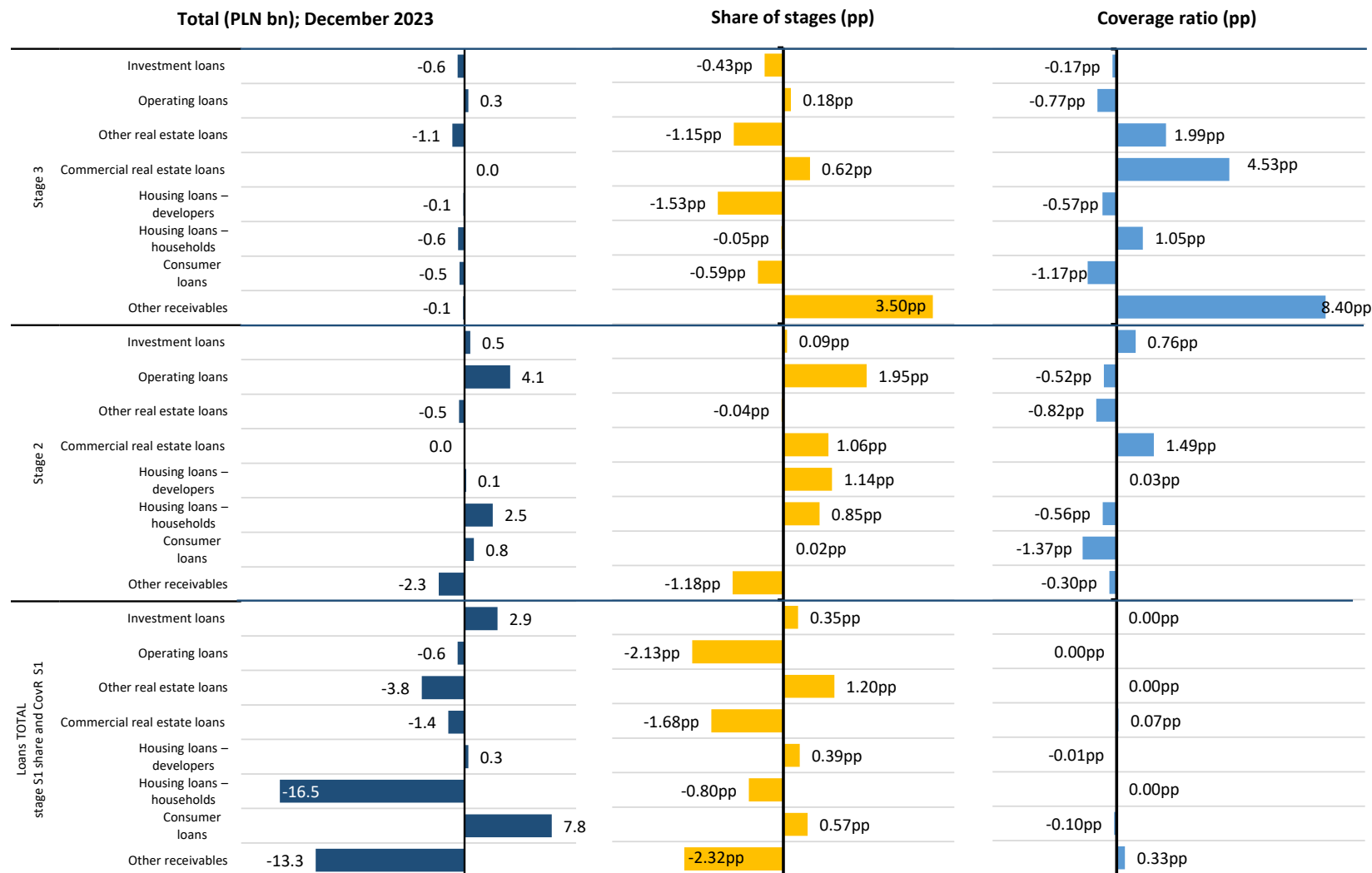
*/ at amortised cost and fair value through other comprehensive income; excluding debt securities.

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** decreased by PLN 0.4 bn to PLN 453.5 bn (-0.09% MoM; -3.5% YoY) in December 2023:
 - ✓ **housing loans (gross) in PLN** increased in December 2023 by PLN 4.7 bn to PLN 409.4 bn (+1.15% MoM; +4.6% YoY). As at the end of December 2023, PLN loans accounted for 90.3% of all housing loans to households;
 - ✓ **housing loans (gross) in other currencies** decreased compared to the previous month (-10.3% MoM; -43.9% YoY) to PLN 44.1 bn.
- **Consumer loans (gross)** increased in December 2023 by PLN 0.1 bn to PLN 190.2 bn (+0.1% MoM; +4.3% YoY).

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

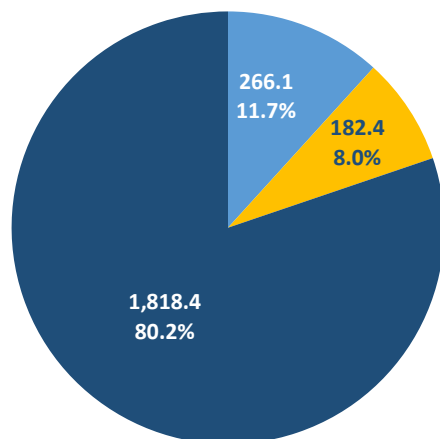
Loans and advances*: non-financial sector

- **Operating loans (gross) to non-financial corporations** decreased in December 2023 by PLN 2.0 bn to PLN 163.6 bn (-1.2% MoM; -4.0% YoY).
- **Investment loans (gross) to non-financial corporations** decreased in December 2023 by PLN 0.5 bn to PLN 157.4 bn (-0.3% MoM; +3.1% YoY).
- **Impaired (stage 3) receivables from the non-financial sector** in December 2023:
 - ✓ decreased by PLN 1.9 bn compared to previous month to PLN 62.5 bn (-2.88% MoM; -4.05% YoY)
 - ✓ dominant components were consumer loans (PLN 15.2 bn) and operating loans (PLN 16.9 bn)
 - ✓ the client structure was dominated by private individuals (PLN 25.6 bn) and SMEs (PLN 19.0 bn).

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

Balance sheet: liabilities

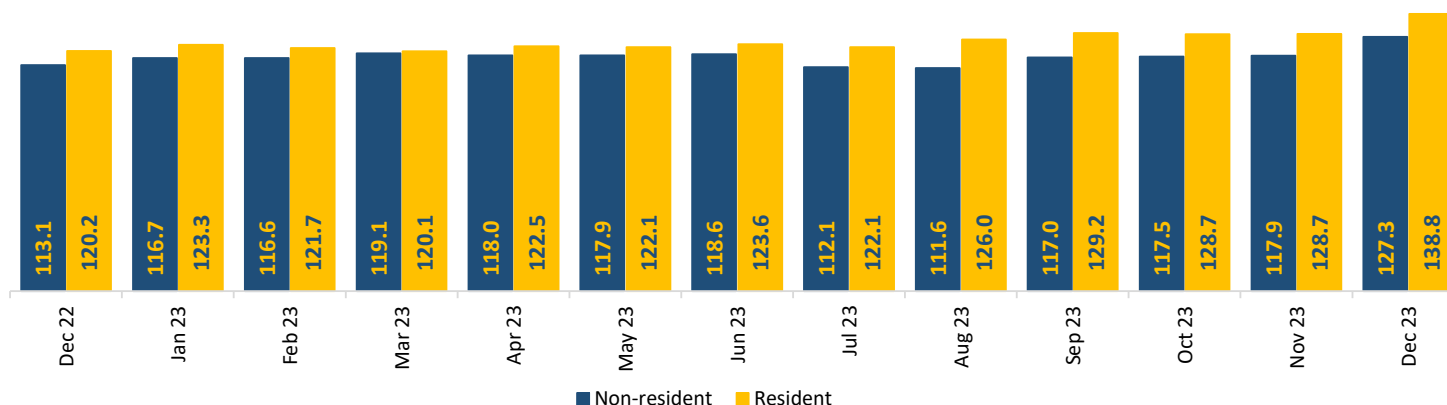
Deposits and received loans;
December 2023 (PLN bn)



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

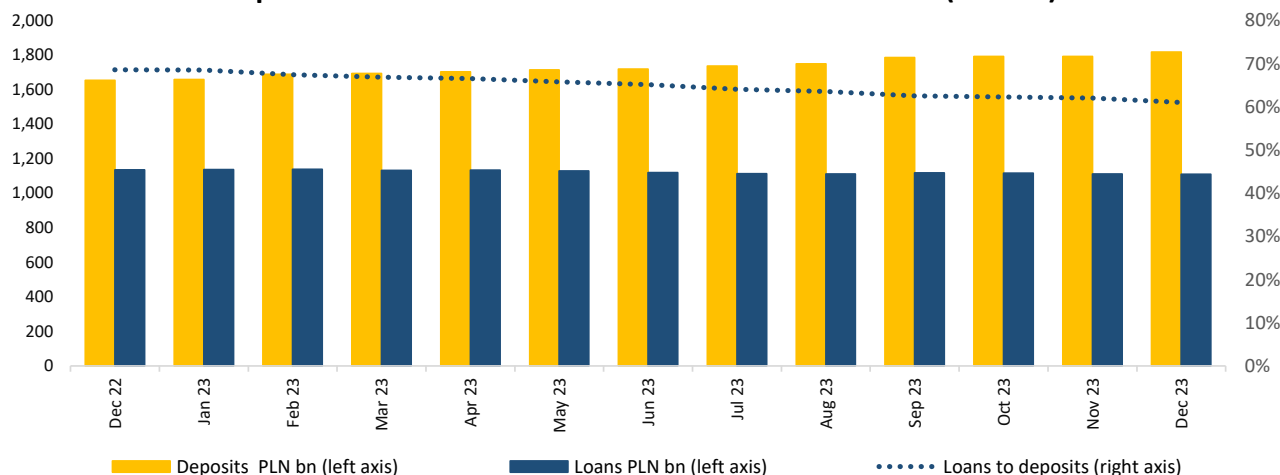
- The General Government deposits' share decreased by 1.2 pp MoM to 8.0% in December 2023 (it was 9.0% at the end of 2022).
- The commitment of non-residents increased in December 2023 by PLN 9.4 bn (+8.0% MoM; +12.5% YoY) and the commitment of residents increased by PLN 10.08 bn (+7.83% MoM; +15.5% YoY).

Financial sector deposits and loans (PLN bn)



Non-financial sector deposits

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

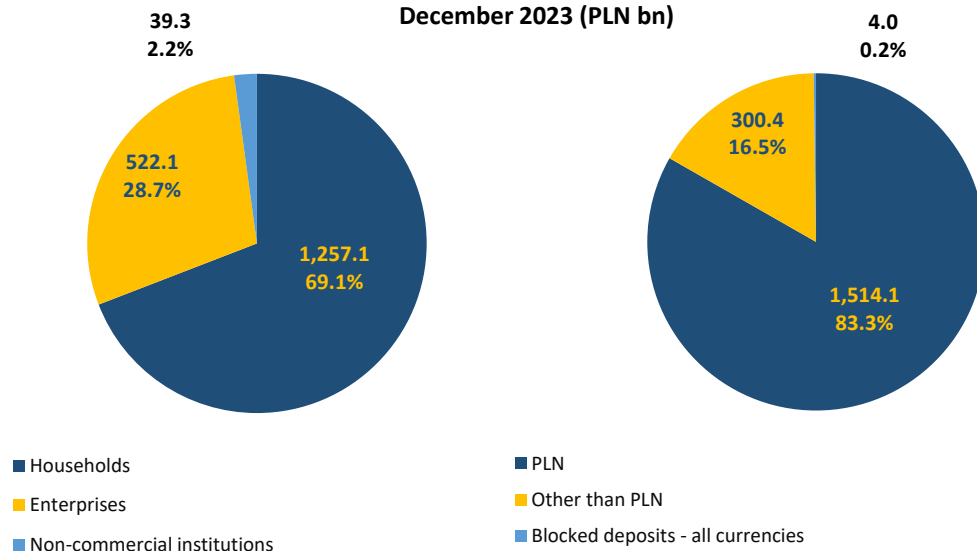


* / loans at balance sheet value; excluding debt securities

In December 2023, the loan-to-deposit ratio decreased to 61.1% (-1.0 pp MoM; -7.5 pp YoY).

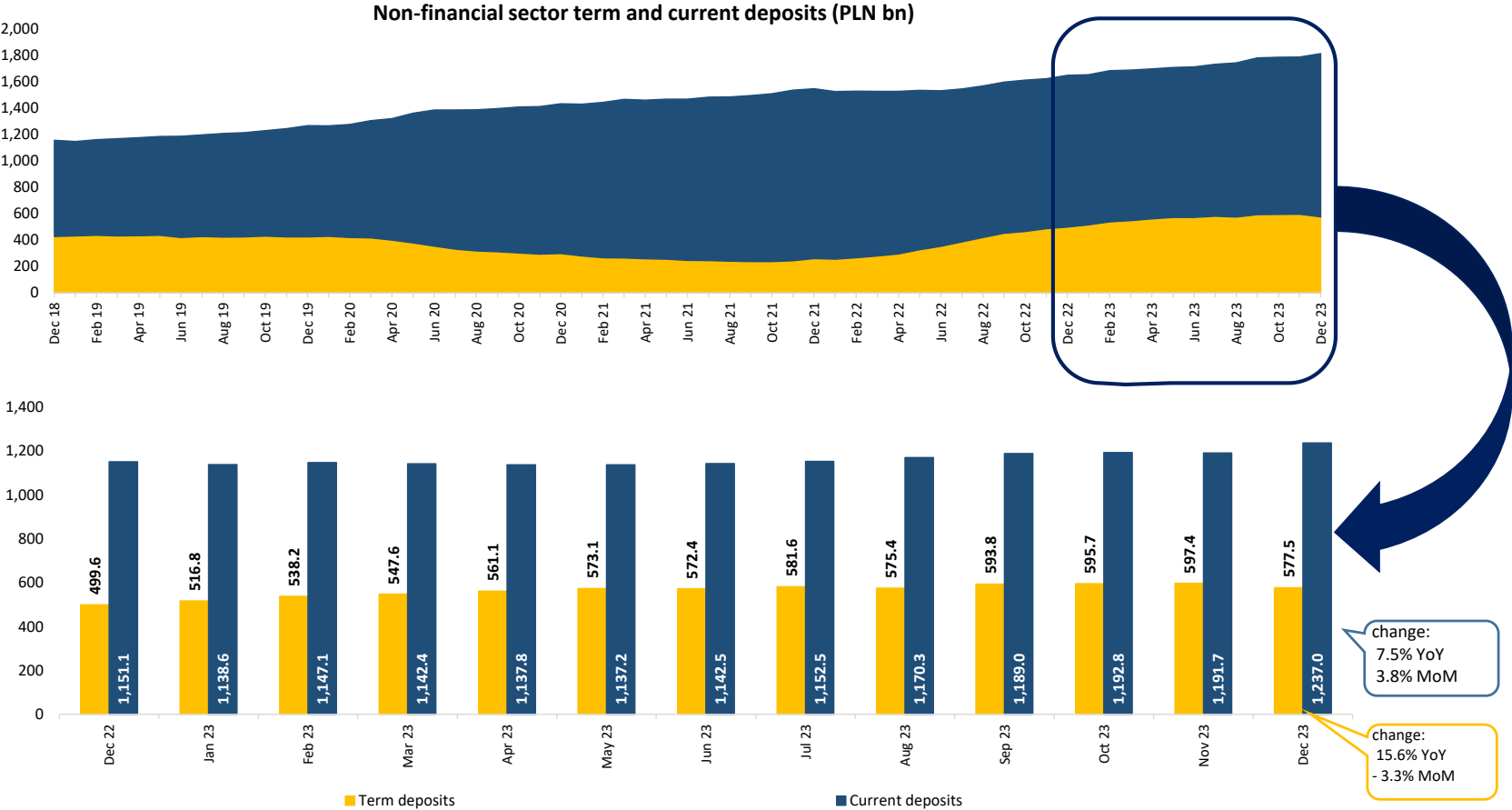
Non-financial sector deposits (including blocked deposits) in December 2023 increased by PLN 25.4 bn, to PLN 1 818.4 bn (+1.42% MoM; +9.9% YoY).

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



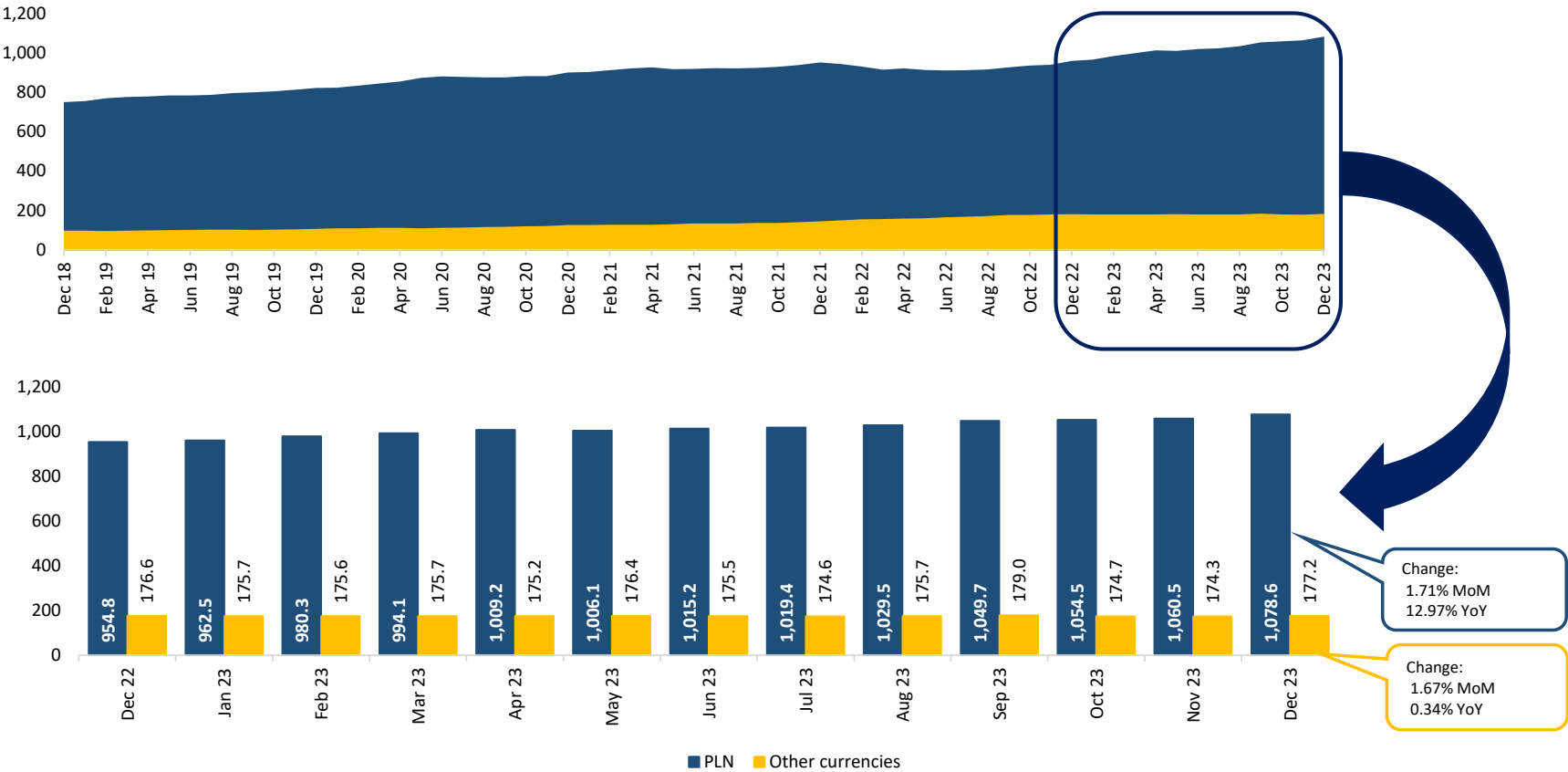
- Volume of households' deposits, which dominated the structure (69.1% of total non-financial sector deposits), increased in December 2023 by PLN 20.9 bn (+1.69% MoM; +11.0% YoY).

Non-financial sector deposits



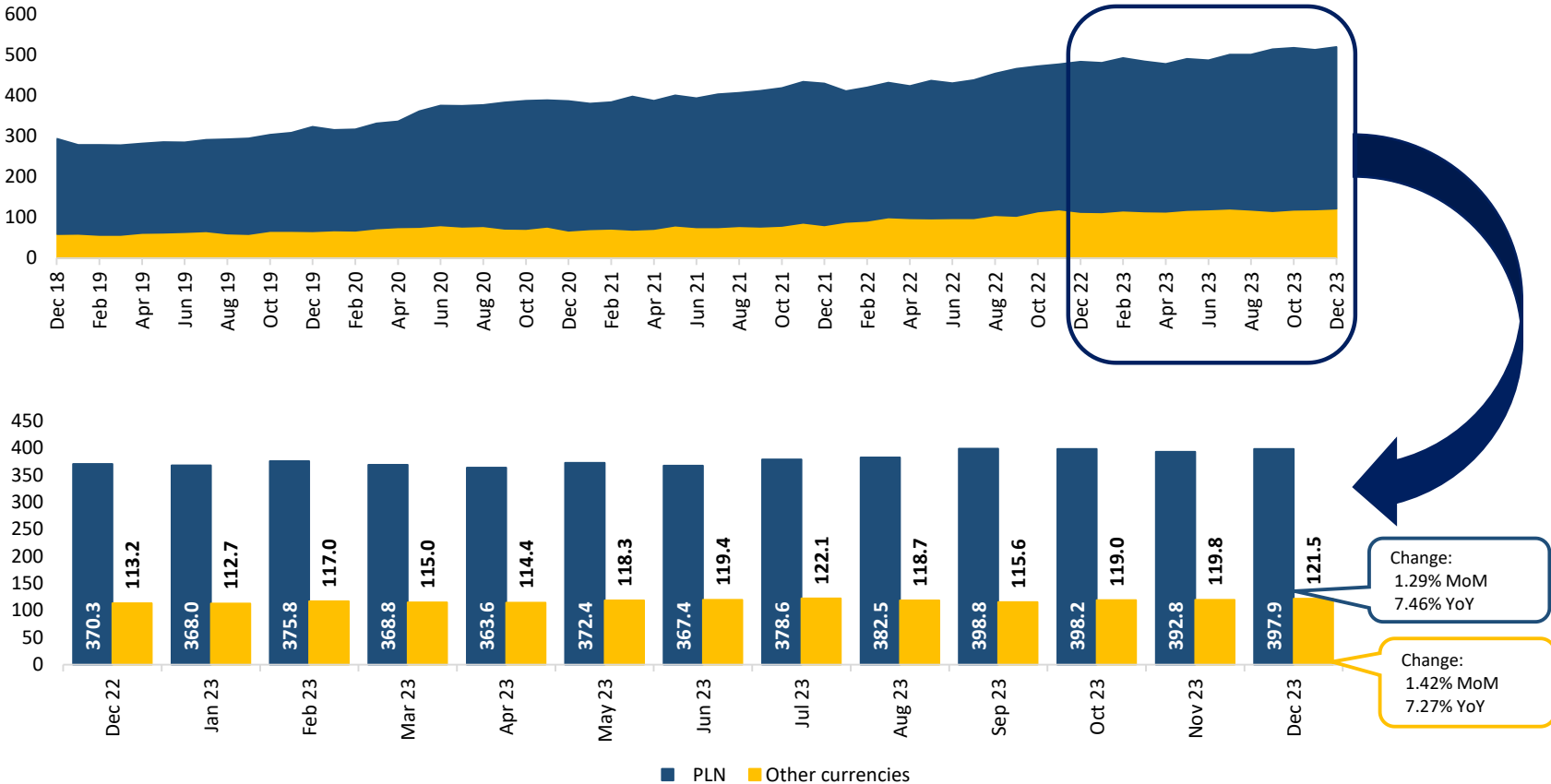
Non-financial sector deposits

Households' deposits (PLN bn)



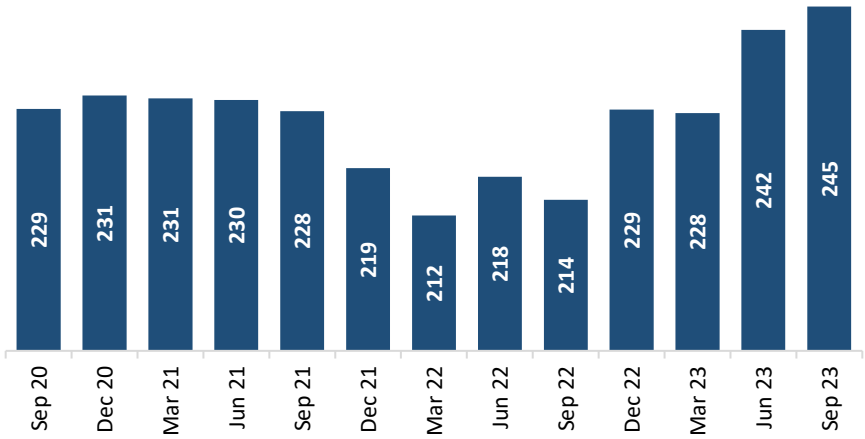
Non-financial sector deposits

Enterprises' deposits (PLN bn)

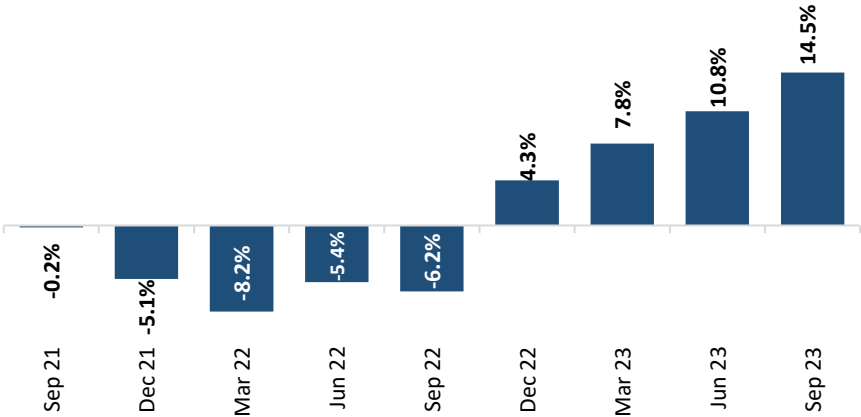


Capital adequacy: commercial and cooperative banks

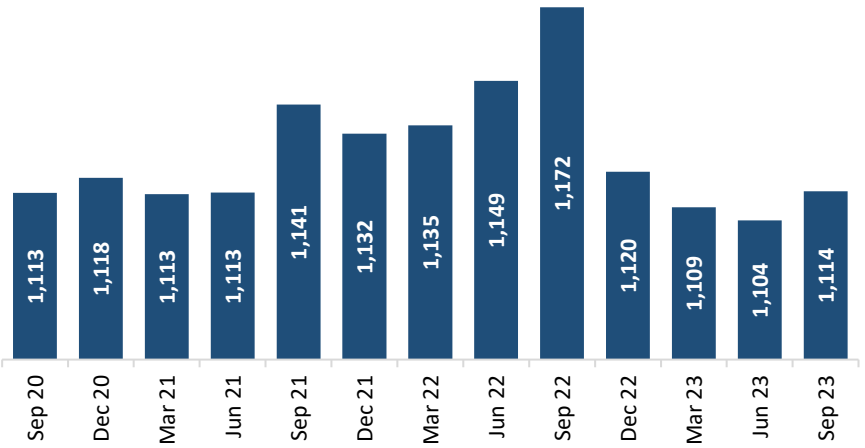
Own funds (PLN bn)



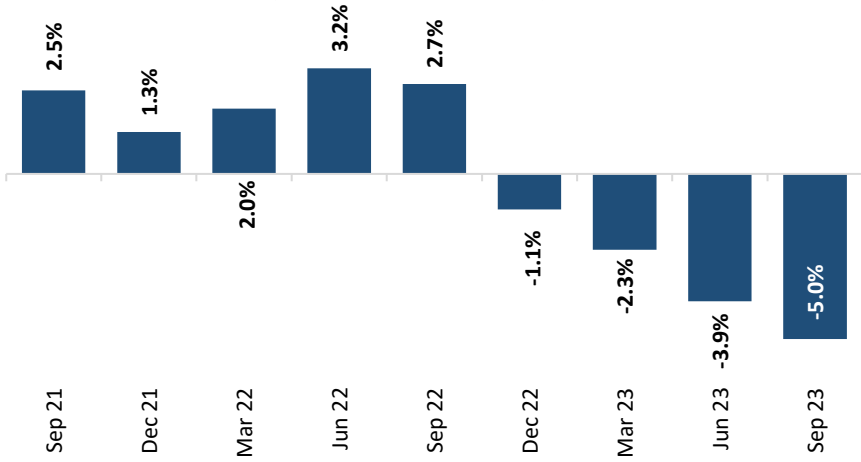
Own funds dynamics YoY



Total risk exposure amount (PLN bn)

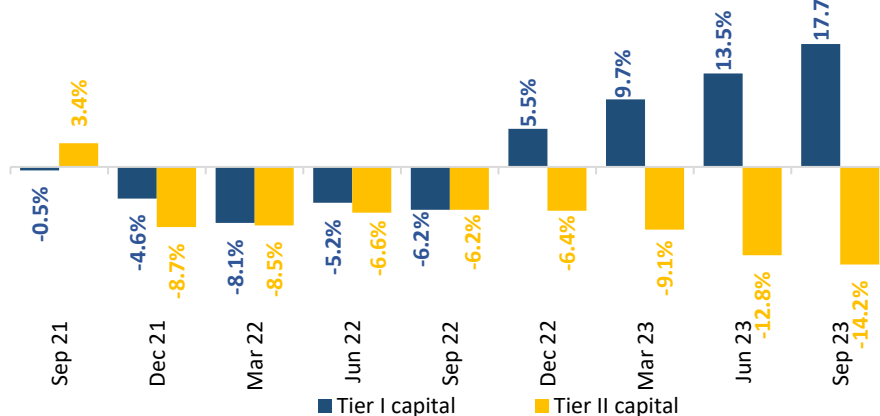


Total risk exposure amount dynamics YoY

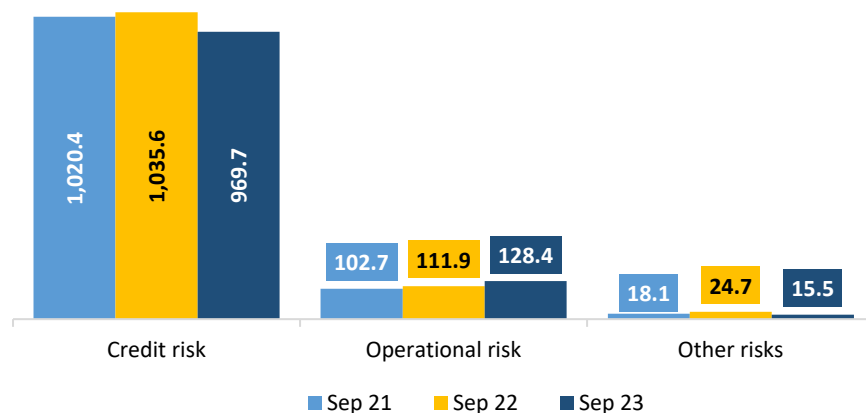


Capital adequacy: commercial and cooperative banks

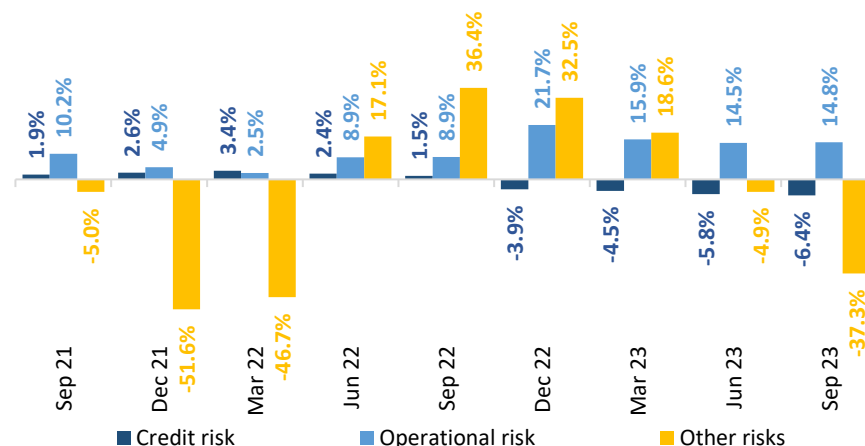
Tier I capital and Tier II capital dynamics YoY



Risk exposure amount (PLN bn)



Risk exposure amount dynamics YoY



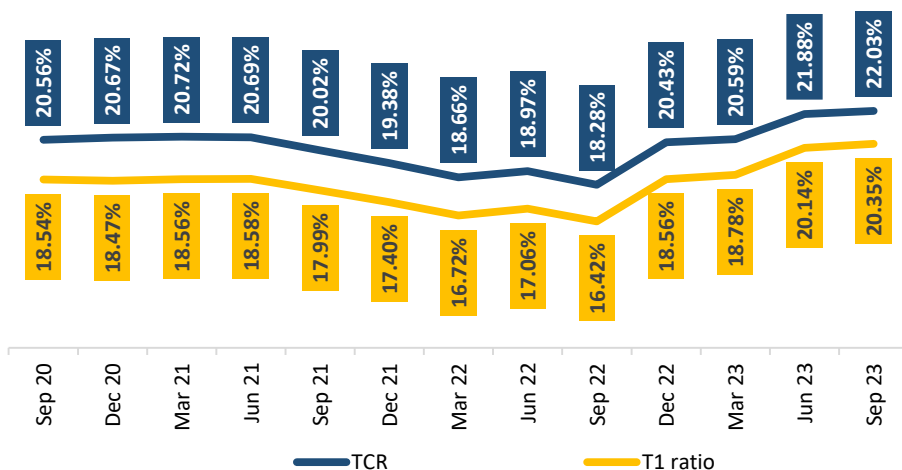
In the third quarter of 2023:

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

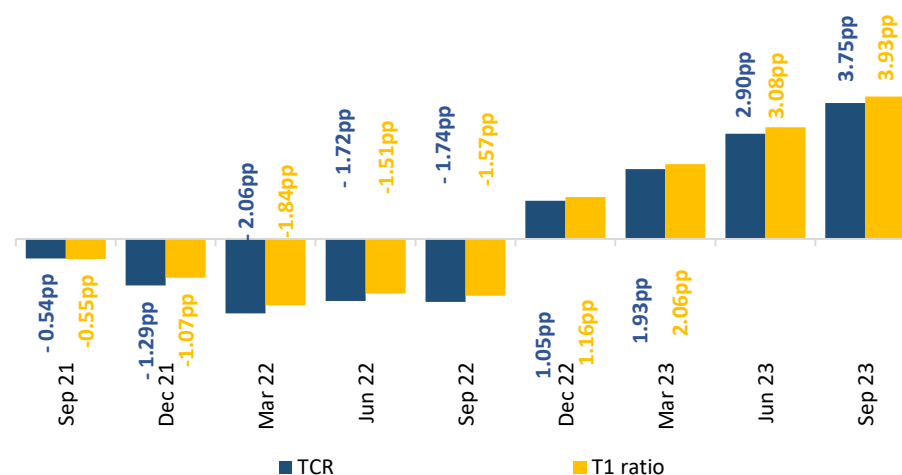
Capital situation of the banking sector remains stable.

Capital adequacy: commercial and cooperative banks

Capital adequacy ratios

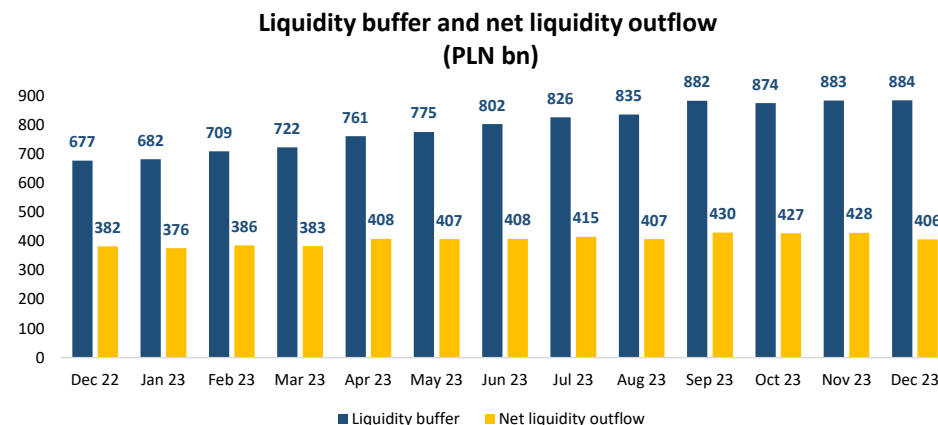
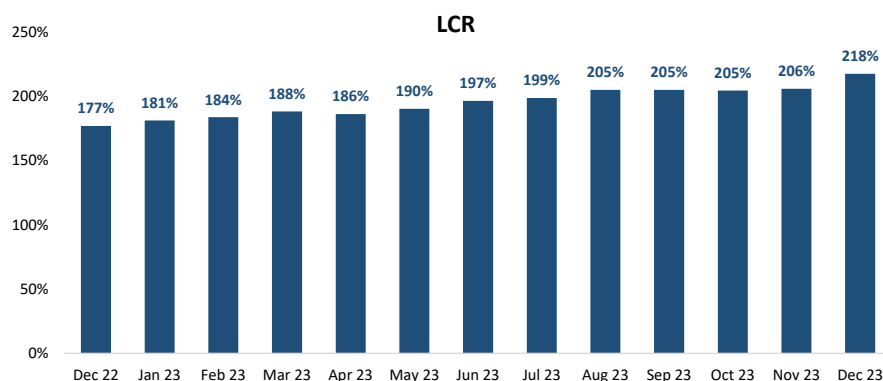


Changes in capital adequacy ratios YoY (p.p.)



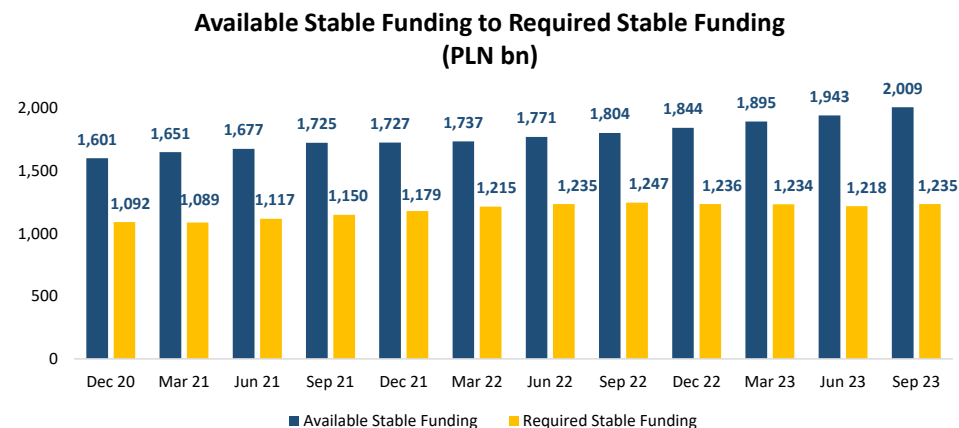
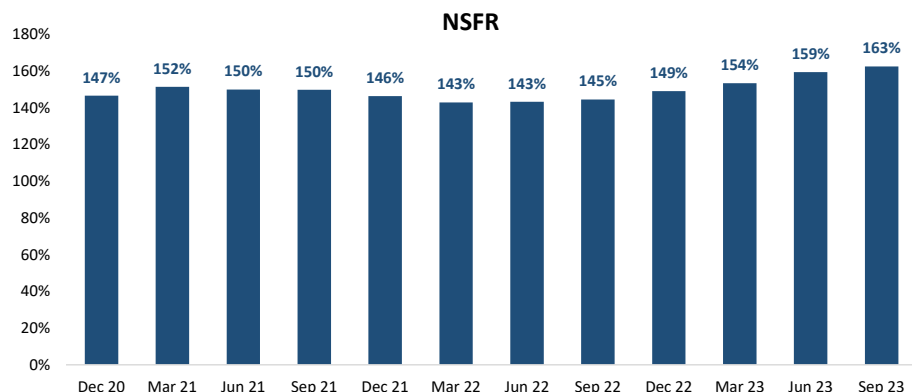
As at the end of September 2023, capital adequacy ratios of the sector were 22.03% (TCR) and 20.35% (T1).

Liquidity



- At the end of December 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 December 2023, LCR for commercial banks (excluding affiliating banks) amounted to 218%.

Liquidity



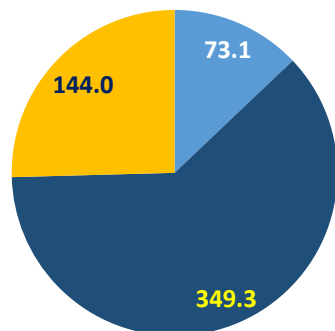
- For many months, the average NSFR in the commercial banks sector (excluding affiliating banks) has been above the 100% requirement, as required since 28 June 2021.
- At the end of September 2023:
 - NSFR of all commercial banks amounted to 163%,
 - all commercial banks fulfilled the requirement (100%).

Off-balance-sheet commitments

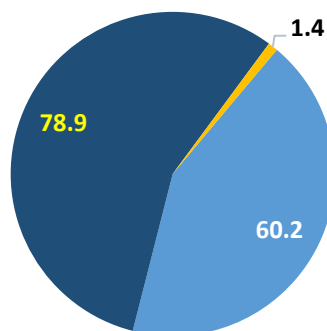
Off-balance-sheet commitments; December 2023

Commitments extended (PLN bn)

Commitments to lend



Guarantee commitments

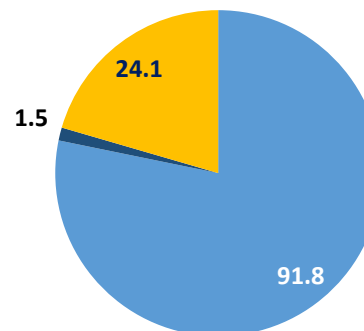


■ Financial sector
■ Non-financial sector
■ General Government sector

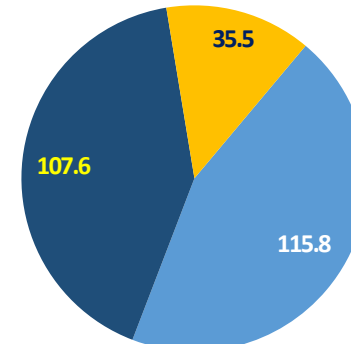
Off-balance-sheet commitments; December 2023

Commitments received (PLN bn)

Commitments to lend

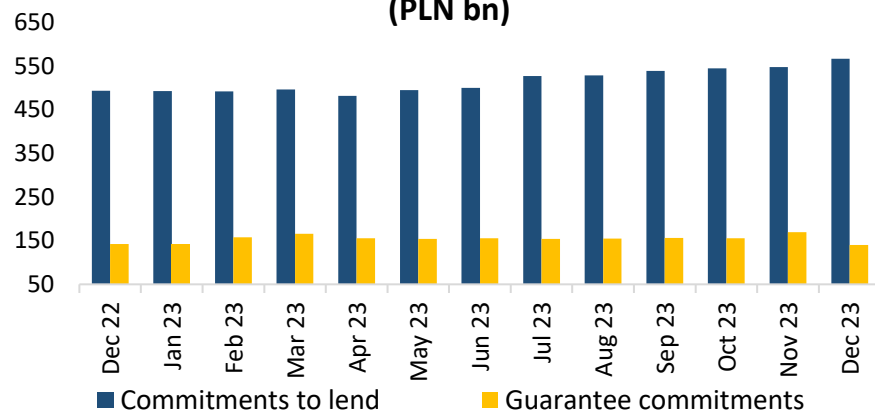


Guarantee commitments

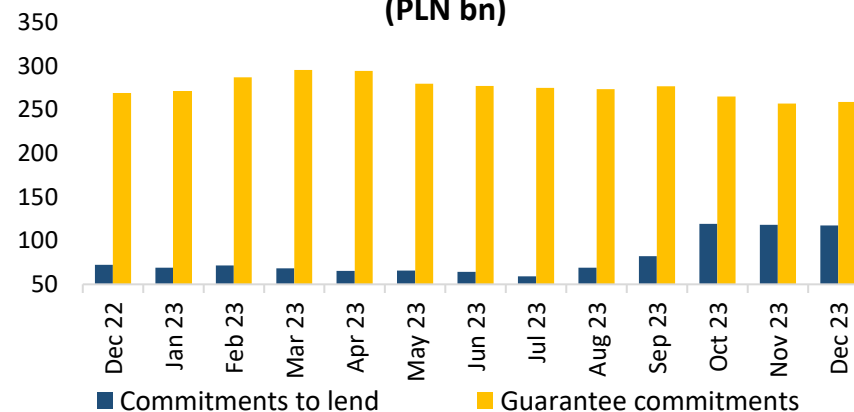


■ Financial sector
■ Non-financial sector
■ General Government sector

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

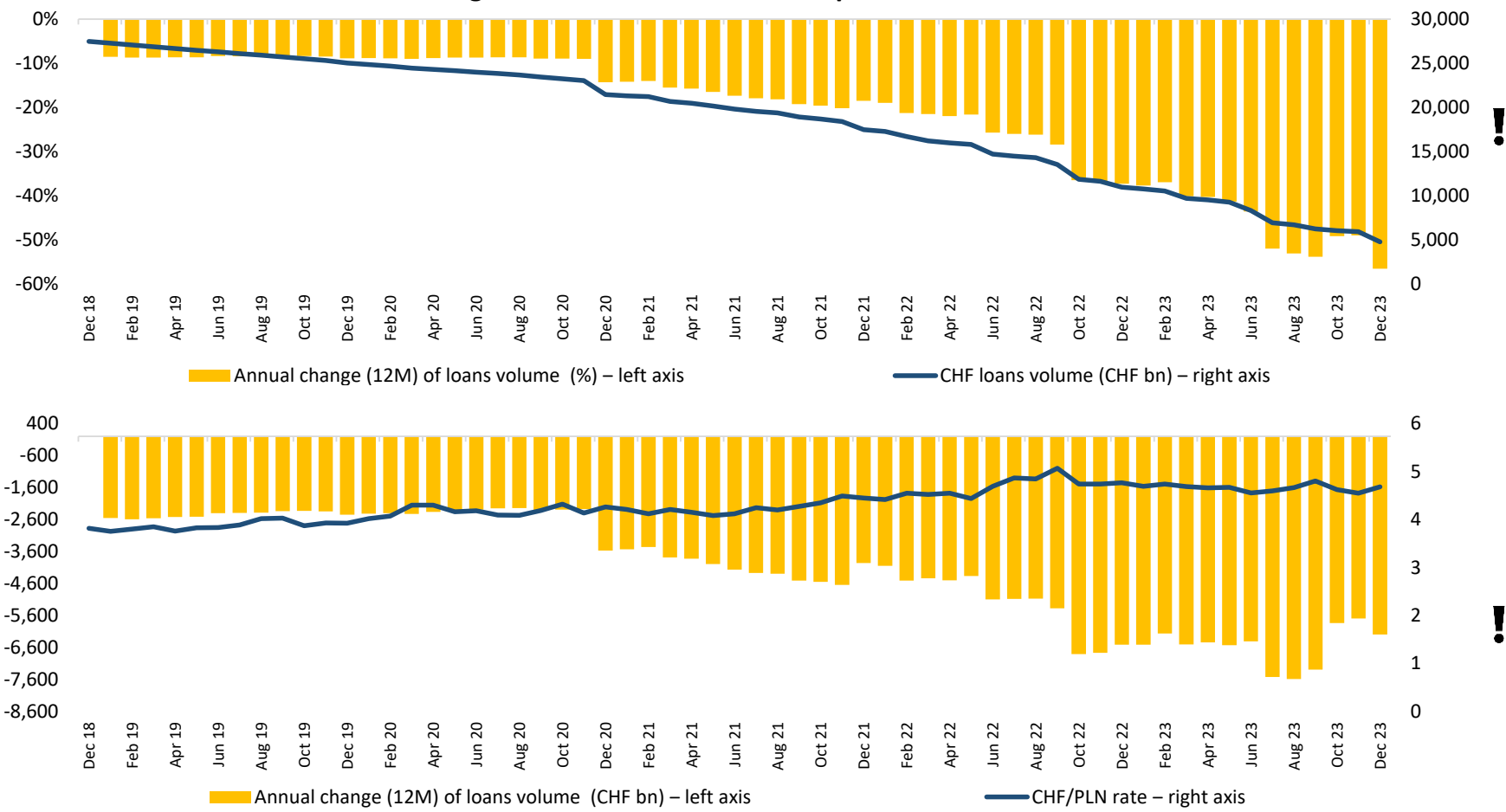


Off-balance-sheet commitments: commitments received (PLN bn)



Additional information

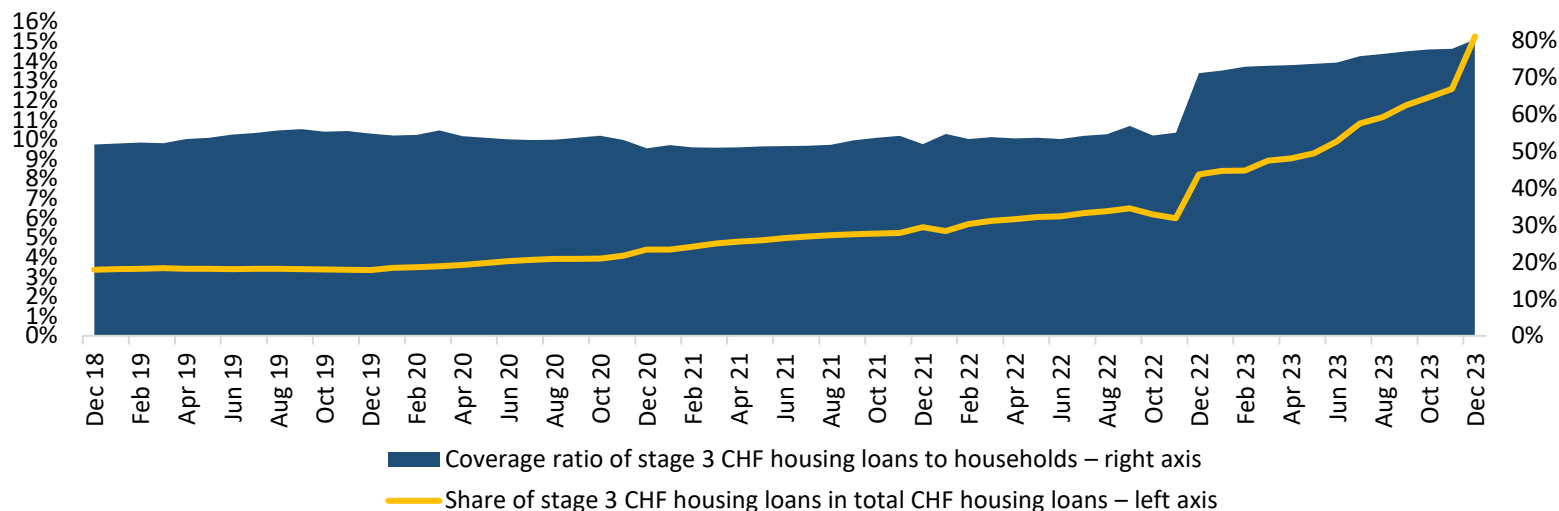
Housing loans to households in CHF: portfolio evolution



! 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 December 2023.

Additional information

Quality and coverage ratio of CHF housing loans to households



Number and volume of CHF housing loans to households

