



THE ROLE OF BANKS IN FINANCING DEVELOPMENT – A POLISH PERSPECTIVE

Krzysztof Pietraszkiewicz
President of the Polish Bank Association

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Polskie Stowarzyszenie Badań Wspólnoty Europejskiej
Polish European Community Studies Association



Transformation of the Polish economy vs. changes in the world of politics and economy

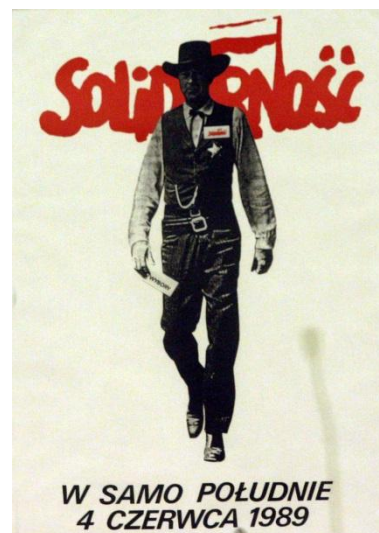
- Dominating economic doctrines and economic policies.
- Intensive processes of globalization.
- Gdańsk `70, Radom `76, August `80, the martial law.
- The beginning of reforms in the Polish banking sector (1983).
- The dissolution of the USSR, Comecon and Warsaw Pact.
- The enlargement of the European Union.
- The growing role of China and other BRIC countries.

25 years of the Polish transformation 1989-2004

The Round Table talks



Elections



Mazowiecki's government



Lech Wałęsa becomes the President





The Constitution of 1997



**The Banking Law Act
and the Act on the NBP**

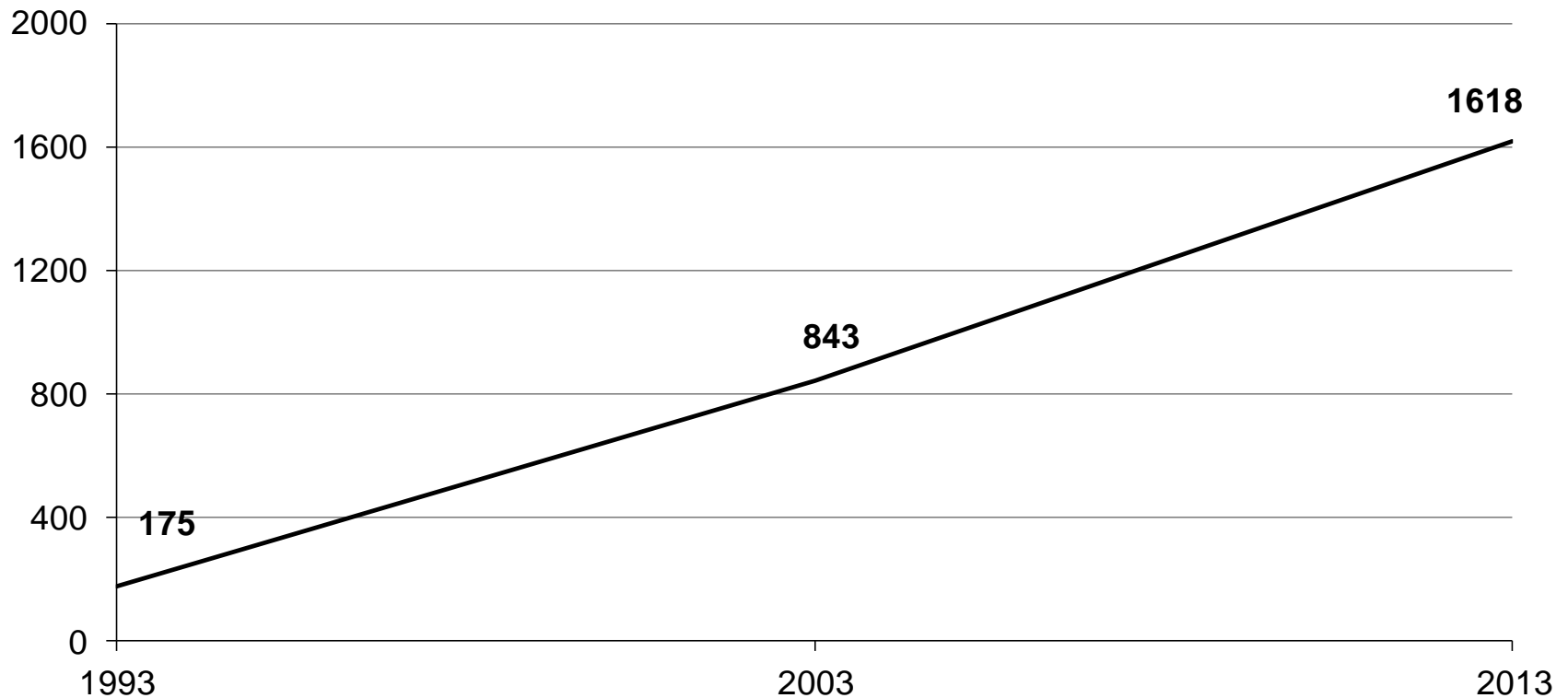


Poland joins the EU (2004)

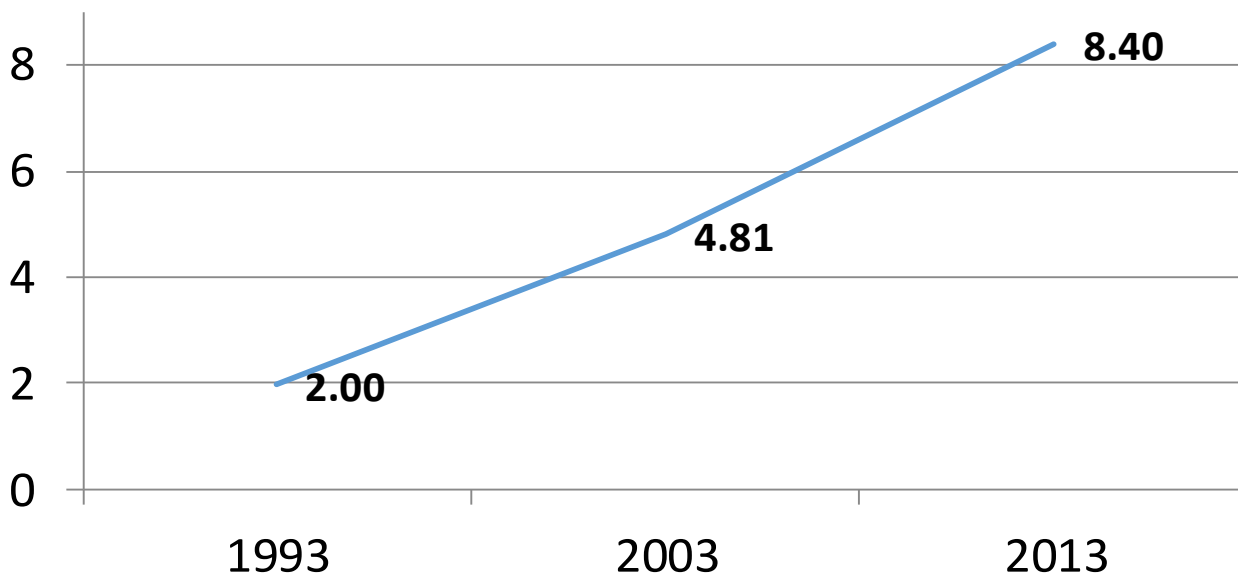


The transformation of the Polish economy in numbers

GDP in Poland in the years 1993, 2003 and 2013 (mln PLN)

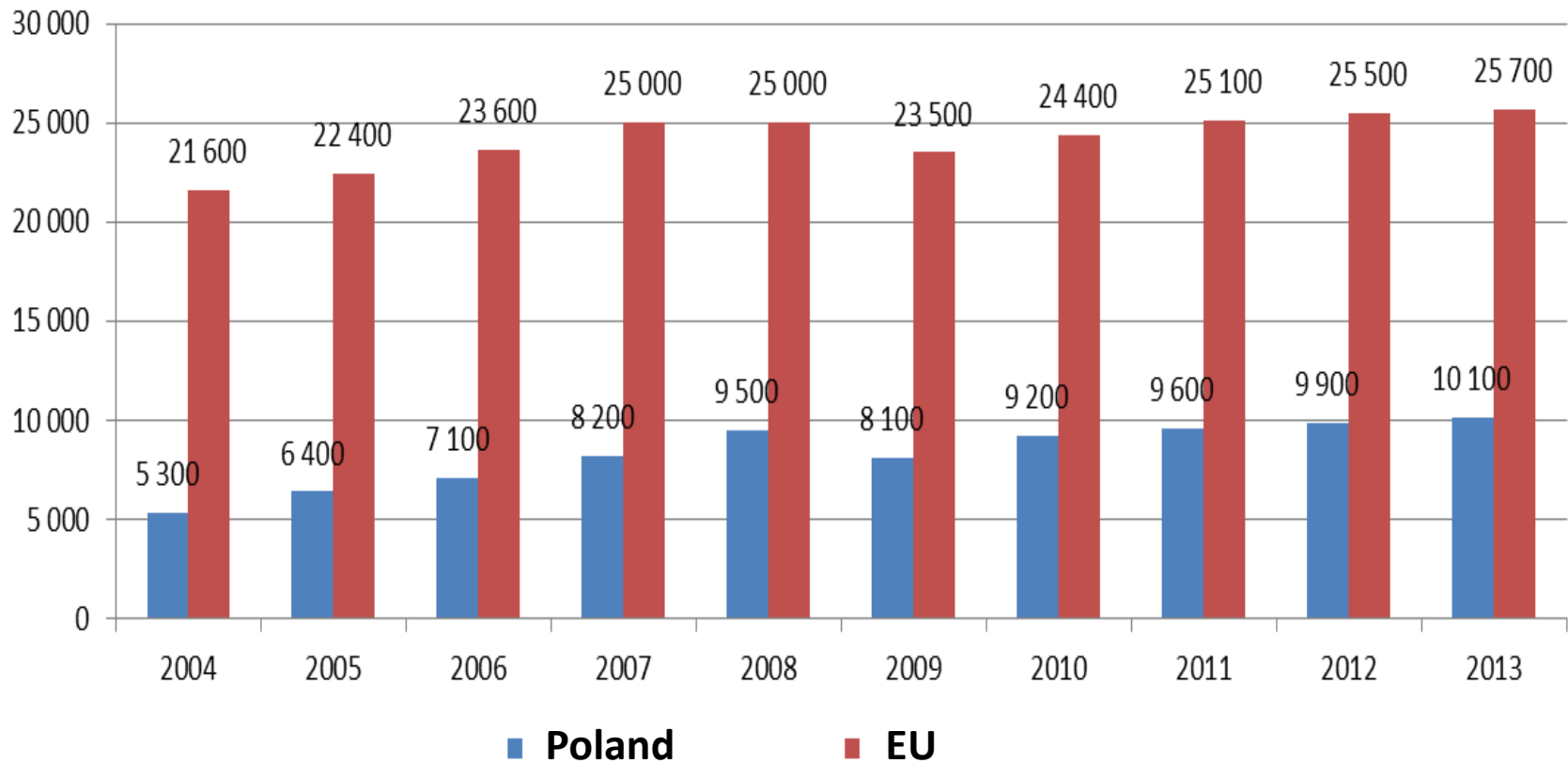


Rapid growth in the equity capital of banks (% of GDP)

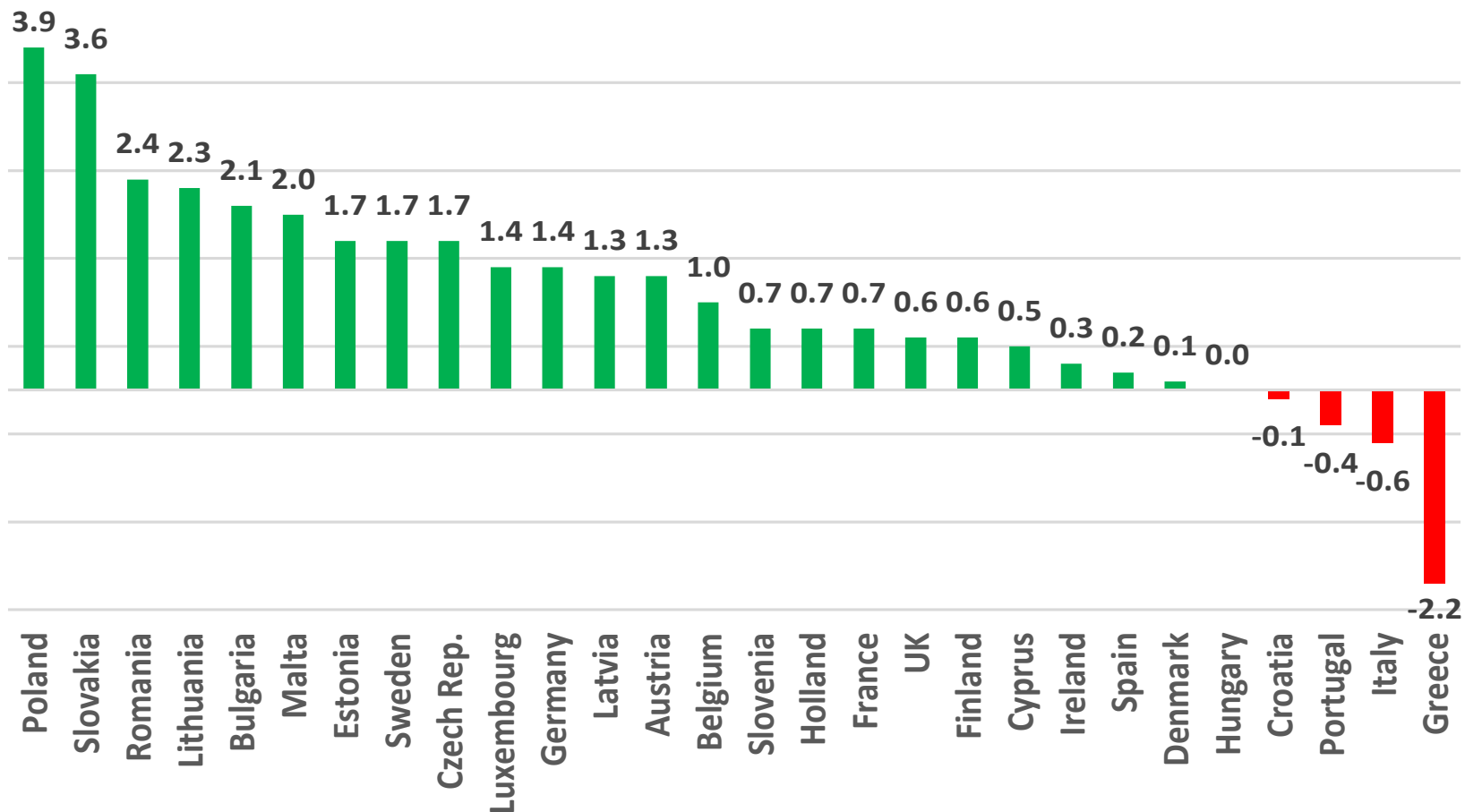




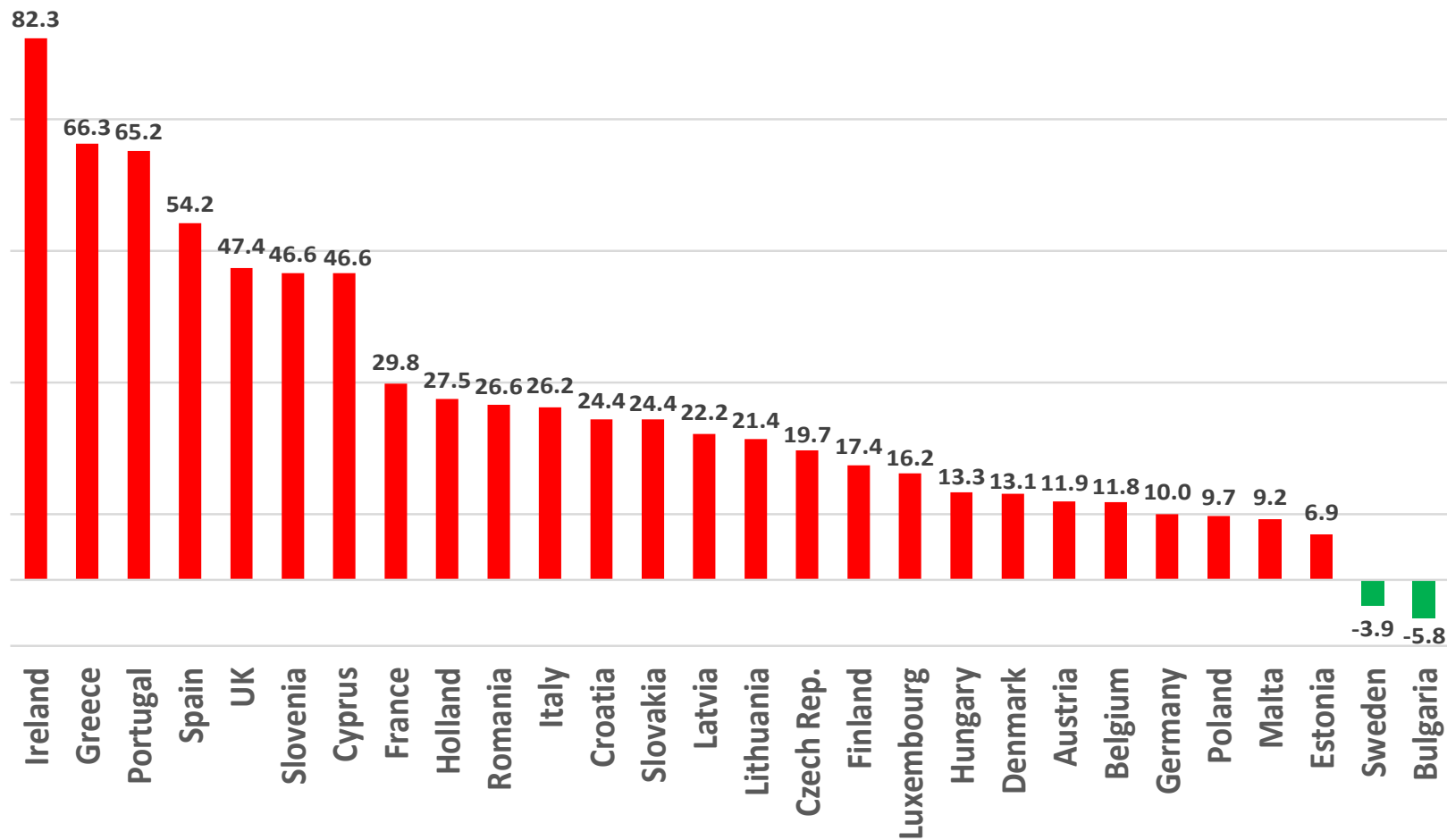
GDP per capita in Poland and the EU (EUR)



Average annual GDP growth rate in the period 2006-2013 (%)

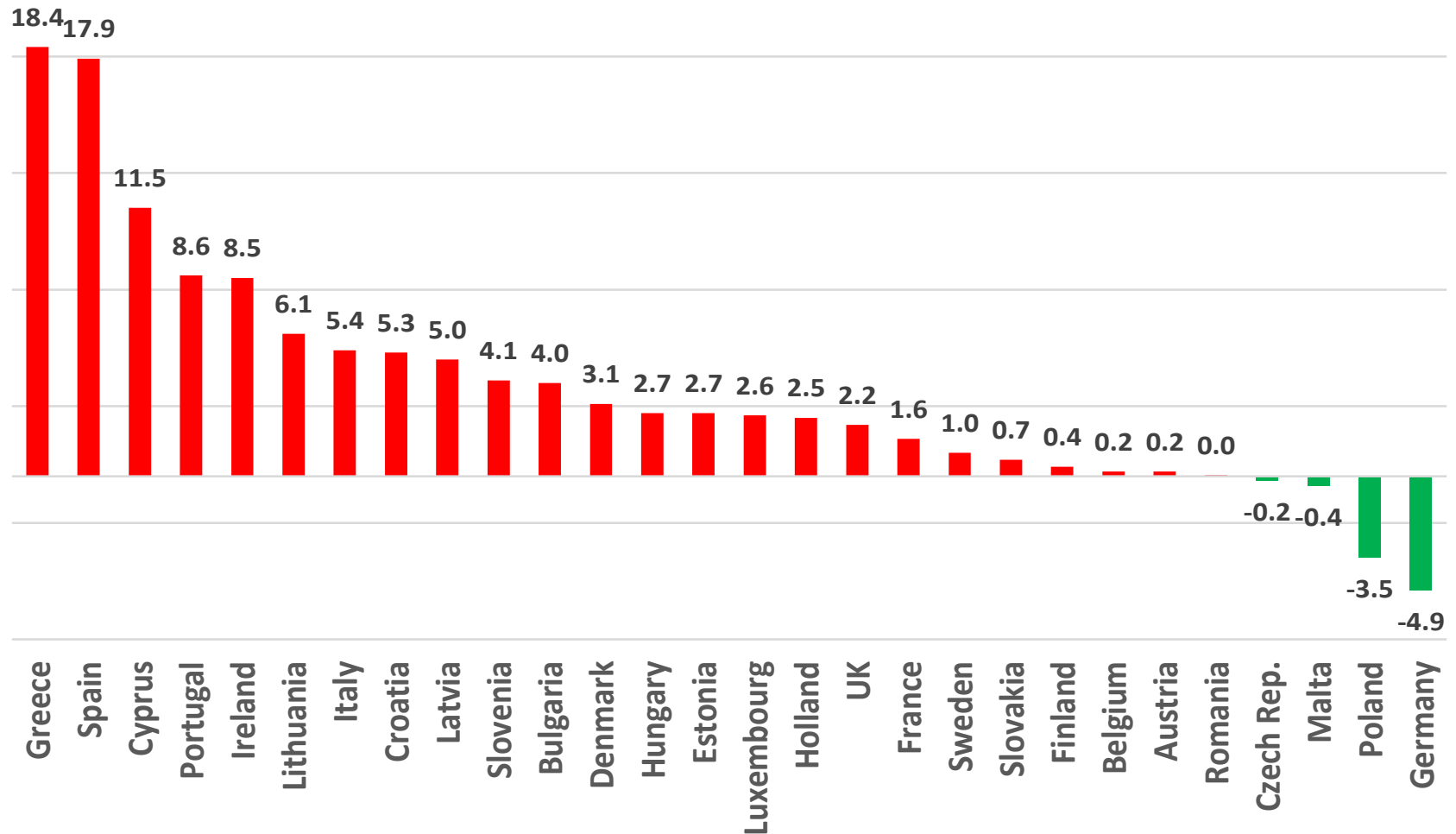


The growth in public debt as % of GDP in the period 2006-2013 (percentage points)



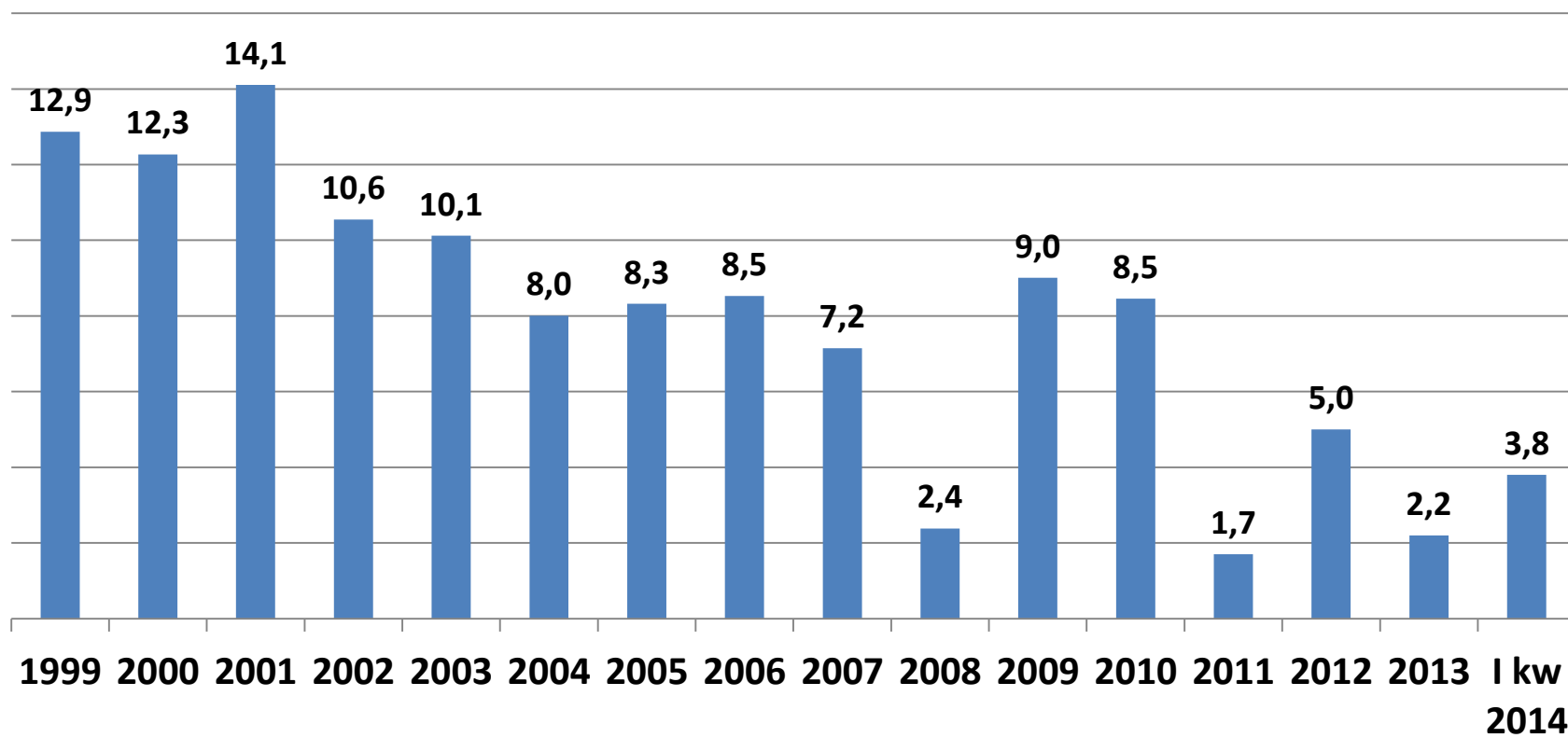
Source: The International Monetary Fund.

The growth in unemployment rate in the period 2006-2013 (percentage points)

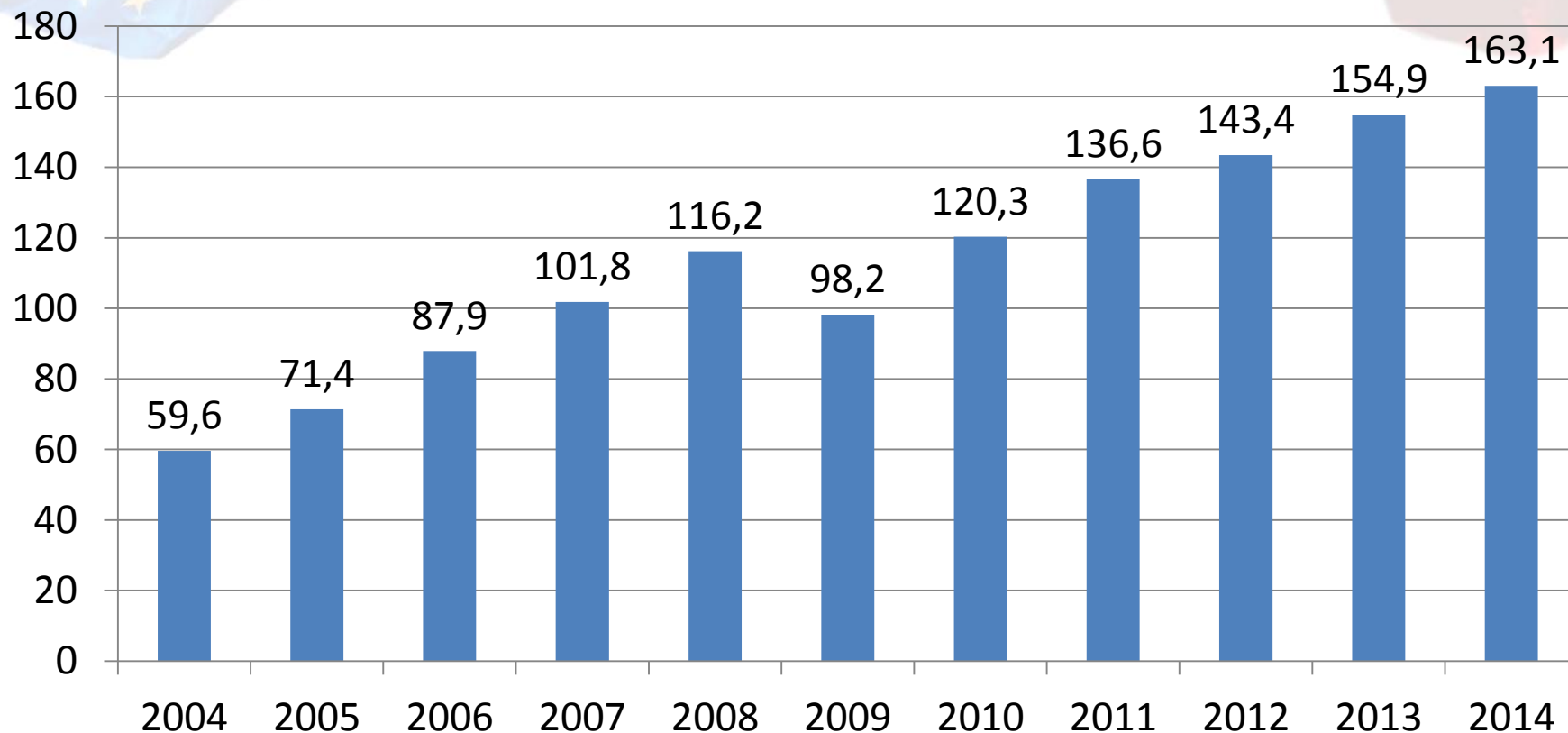


Source: Eurostat.

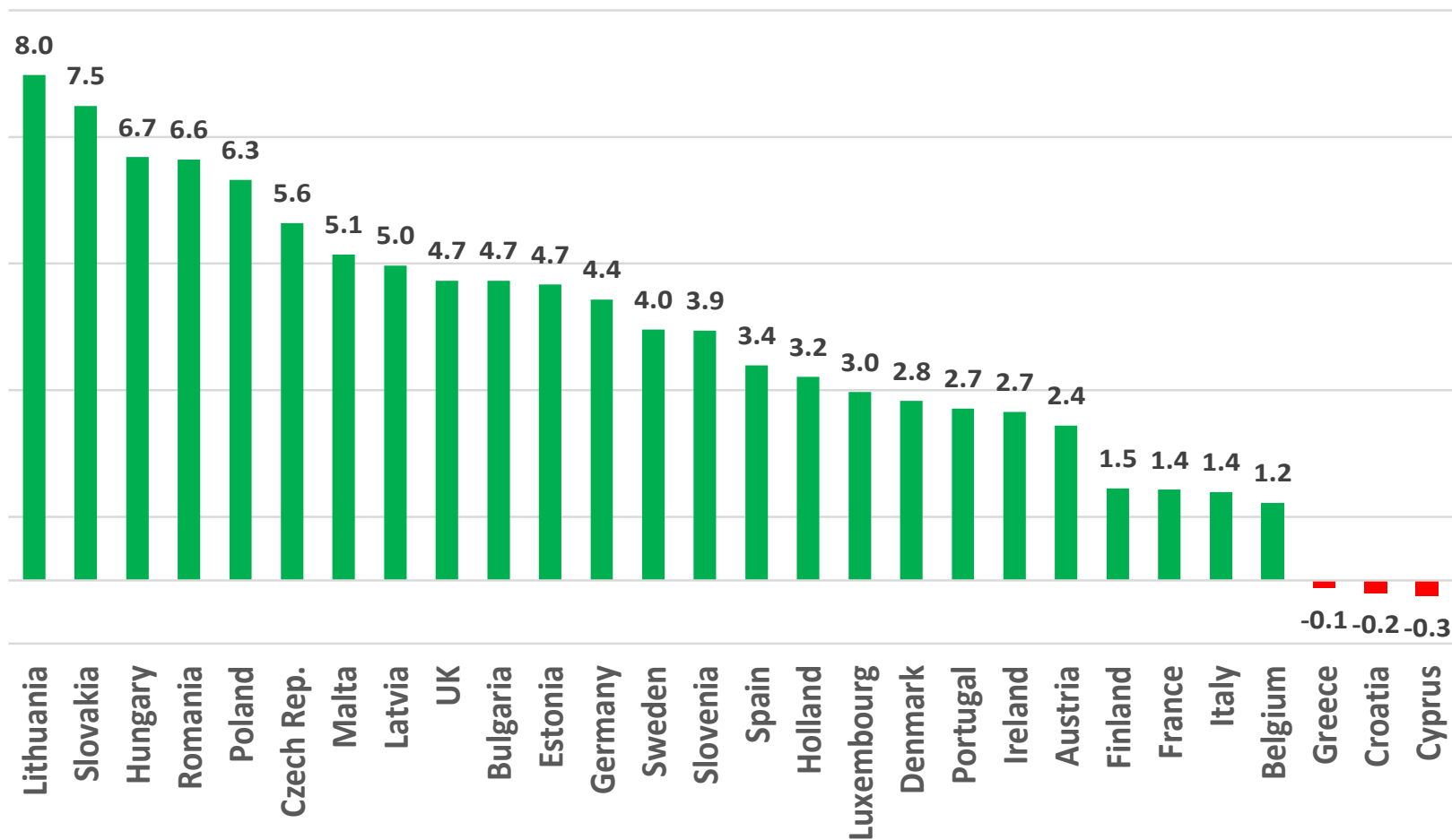
The savings rate of households (%)



The export of goods (bn euro)

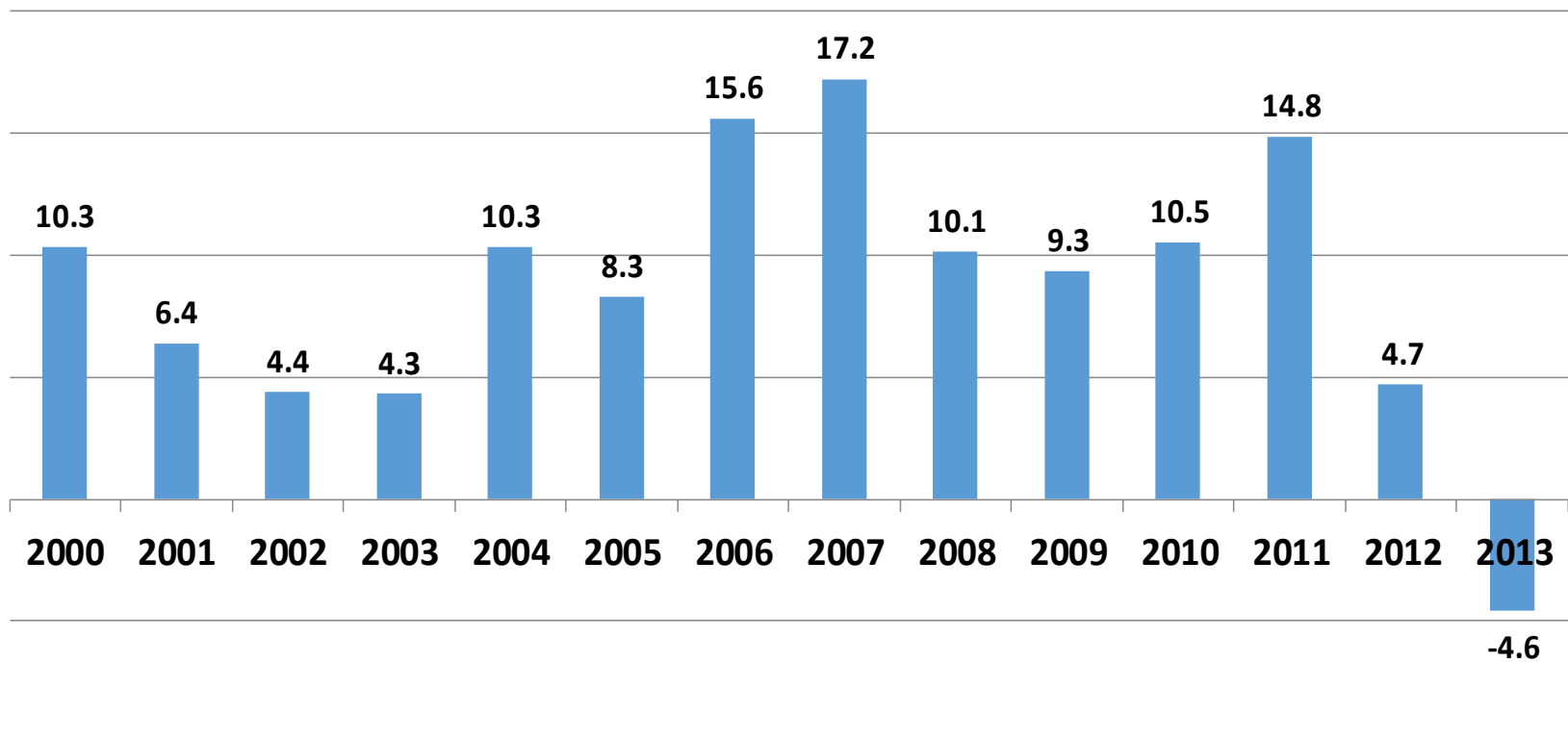


Average annual growth in the export of goods in the years 2006-2013

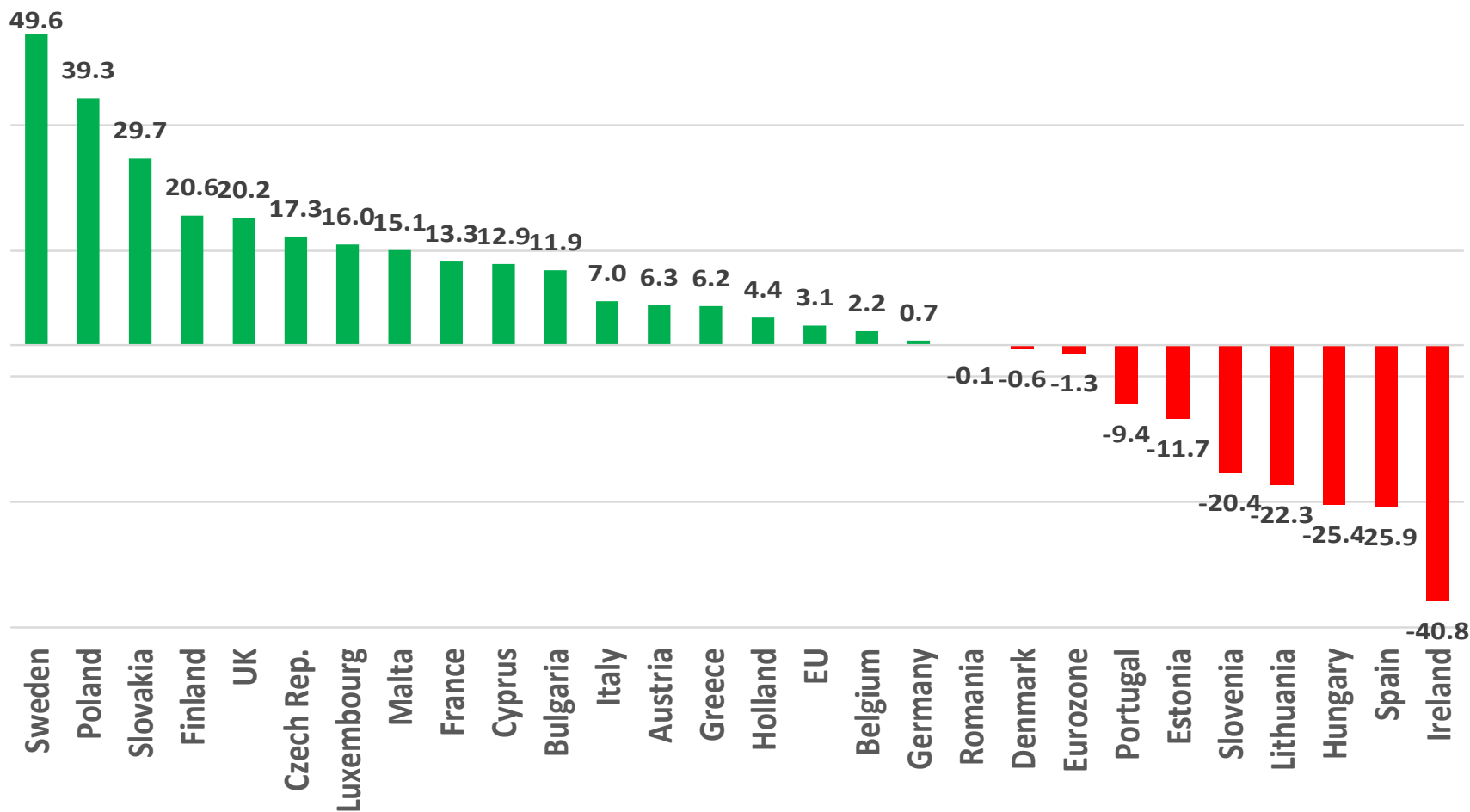


Source: The Central Statistical Office.

The balance of foreign direct investment in Poland (bn EUR)

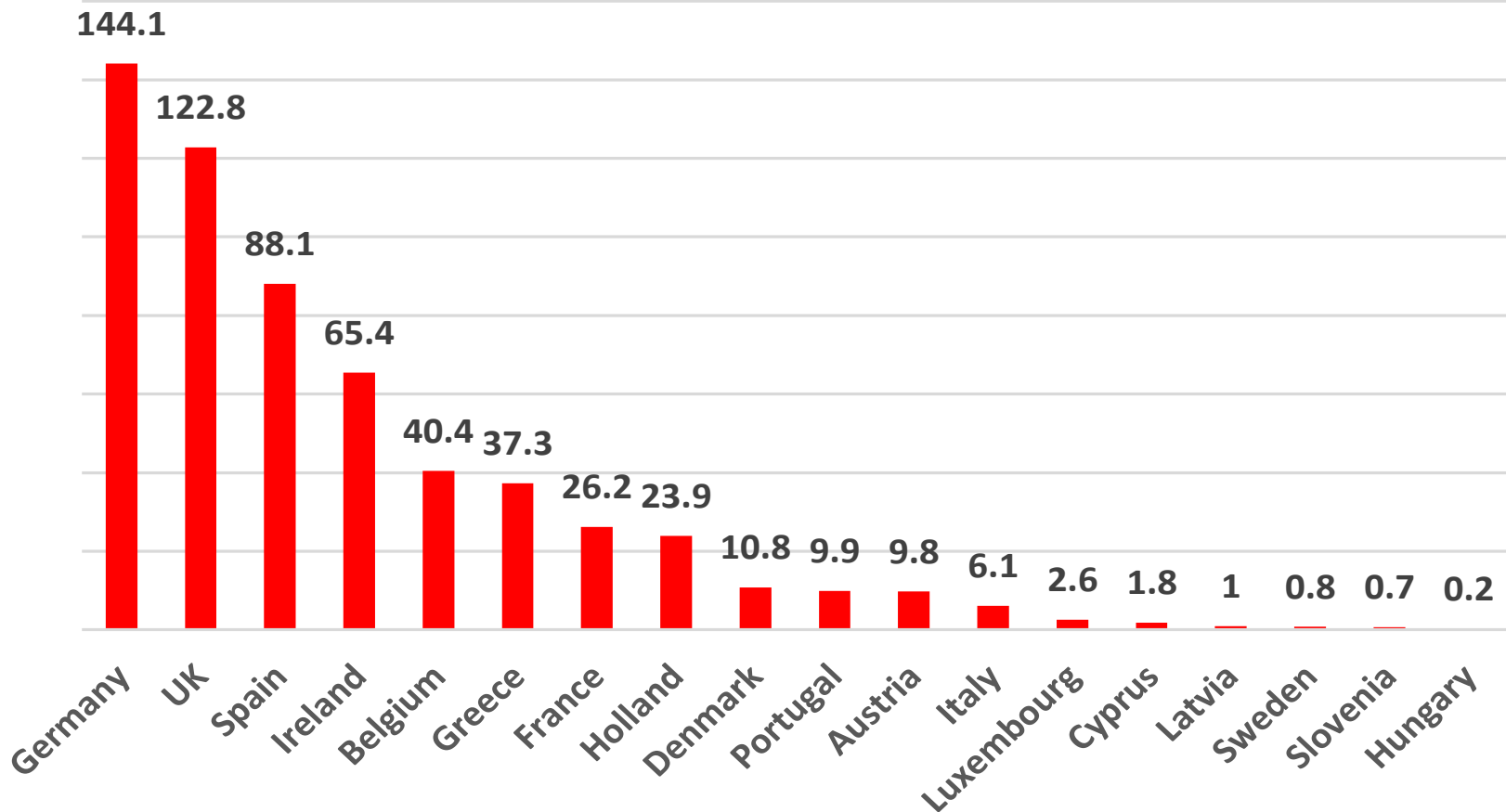


The growth in loans in the period: December 2008 - March 2014



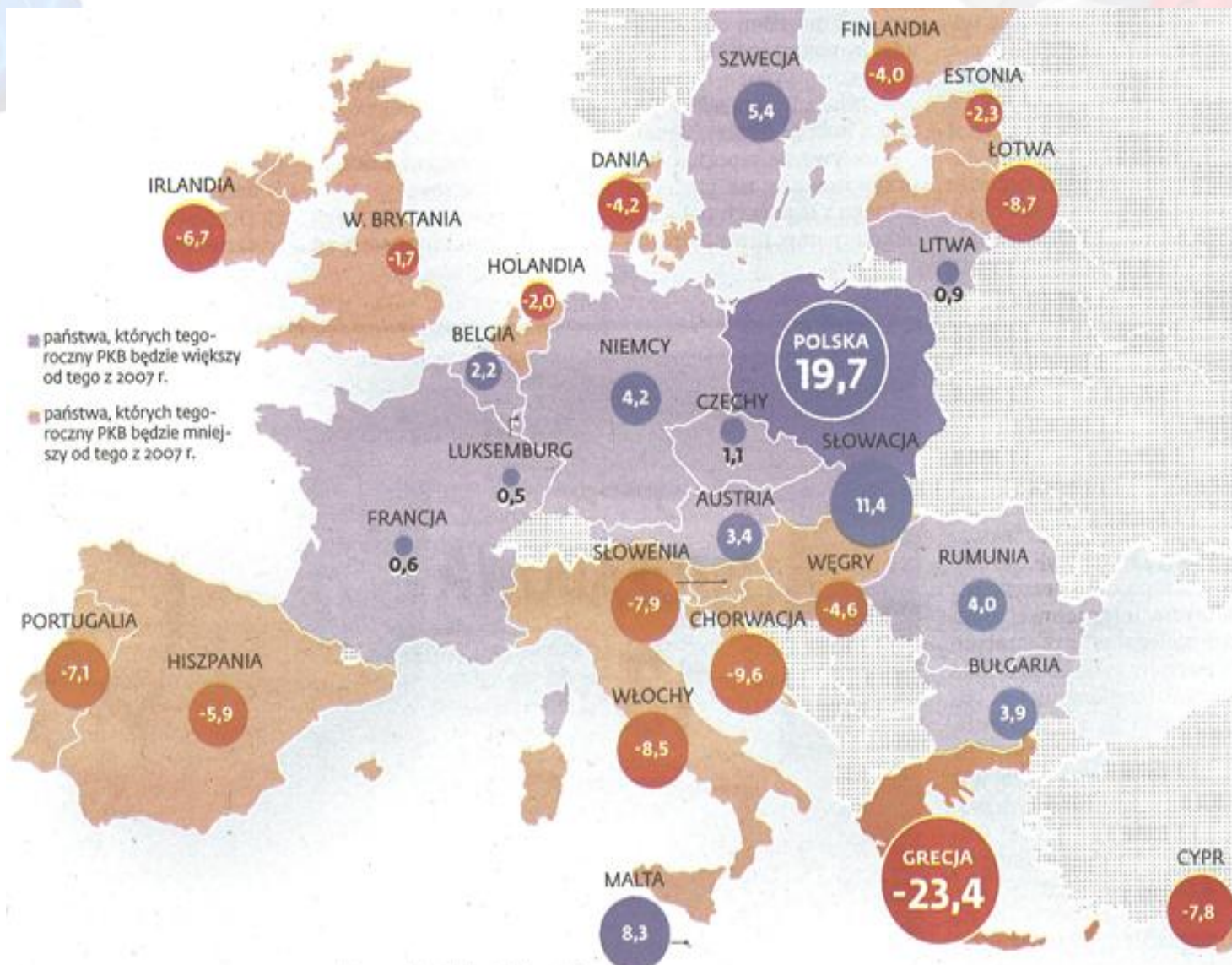
Source: The National Bank of Poland.

State aid for the banking sector in the years 2008-2012 (bn EUR)



Source: The European Commission.

Crisis Facts – GDP change since 2007 (%)

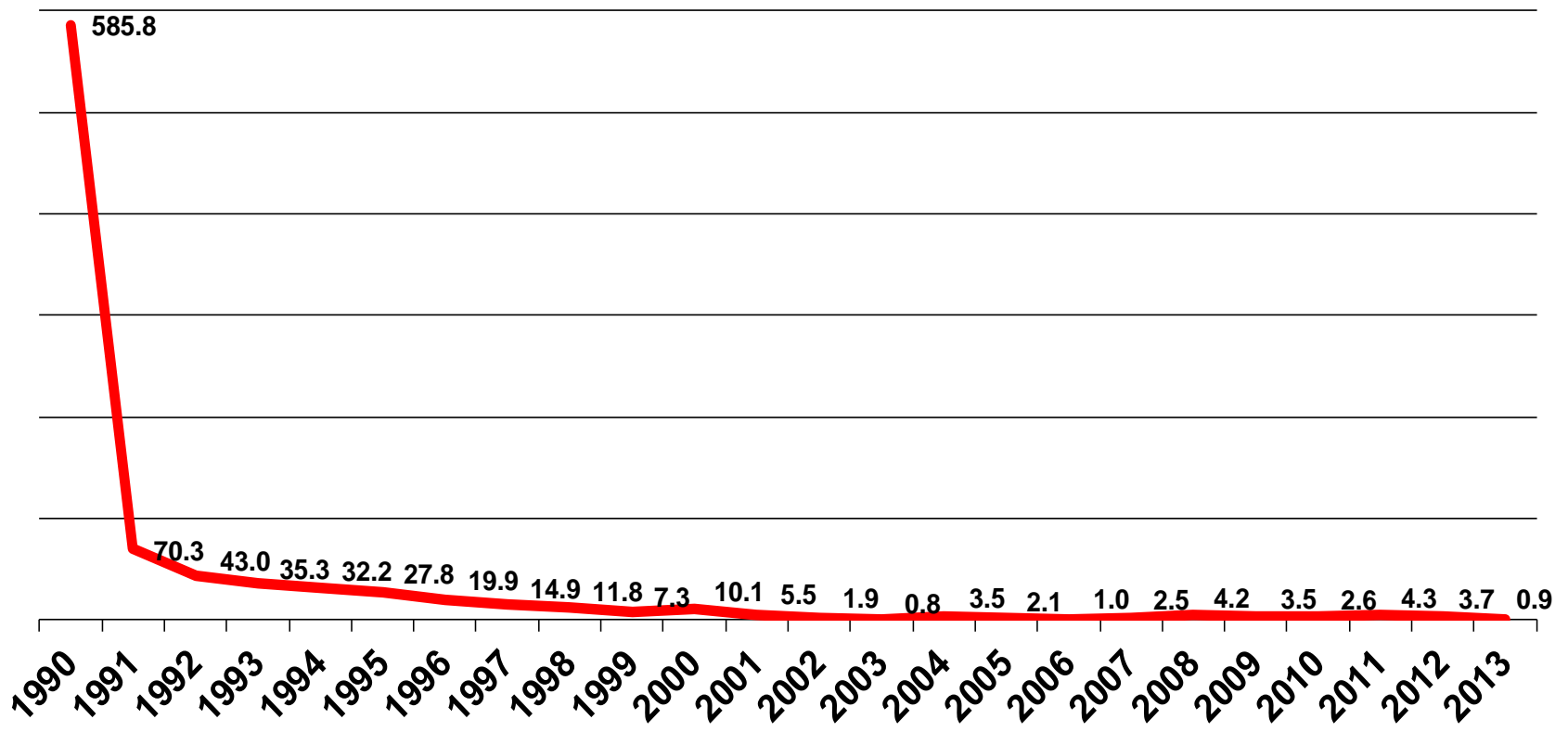


Źródło: Międzynarodowy Fundusz Walutowy: „World Economic Outlook – October 2013”



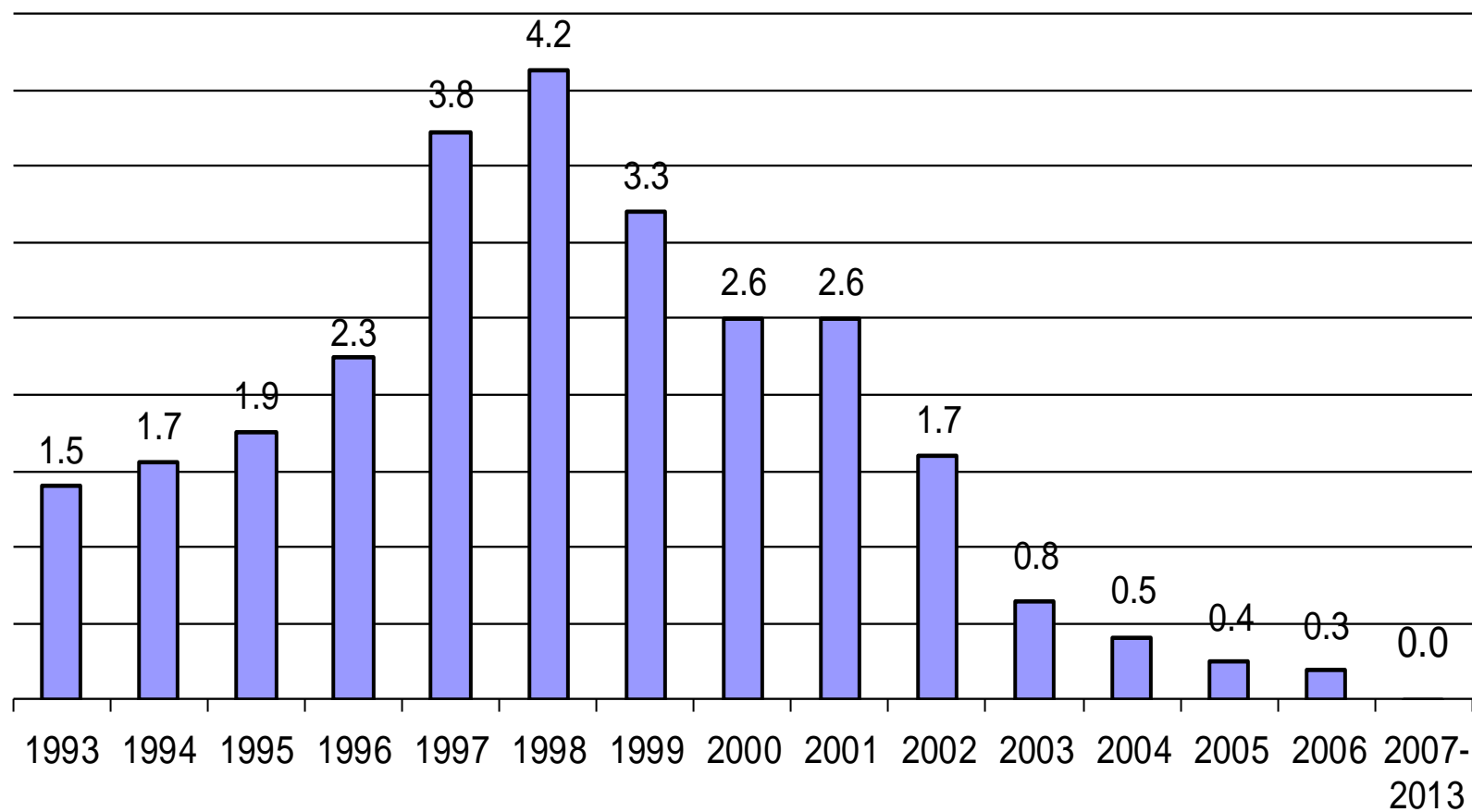
**Banks
in the process of
disinflation**

Inflation in the years 1990-2013 (annual)



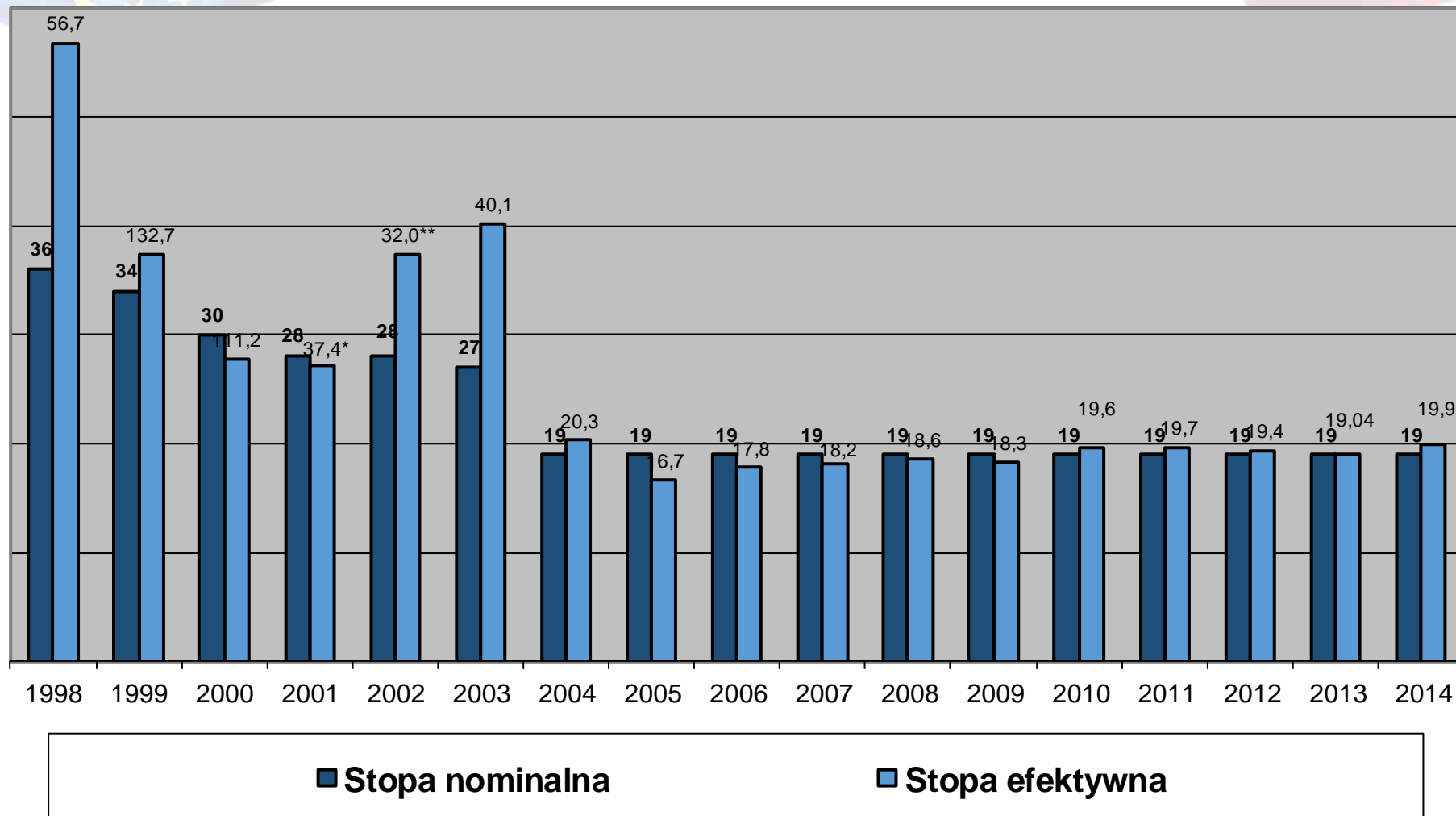
Source: The Central Statistical Office.

Revenue lost due to reserve requirements (bn PLN)

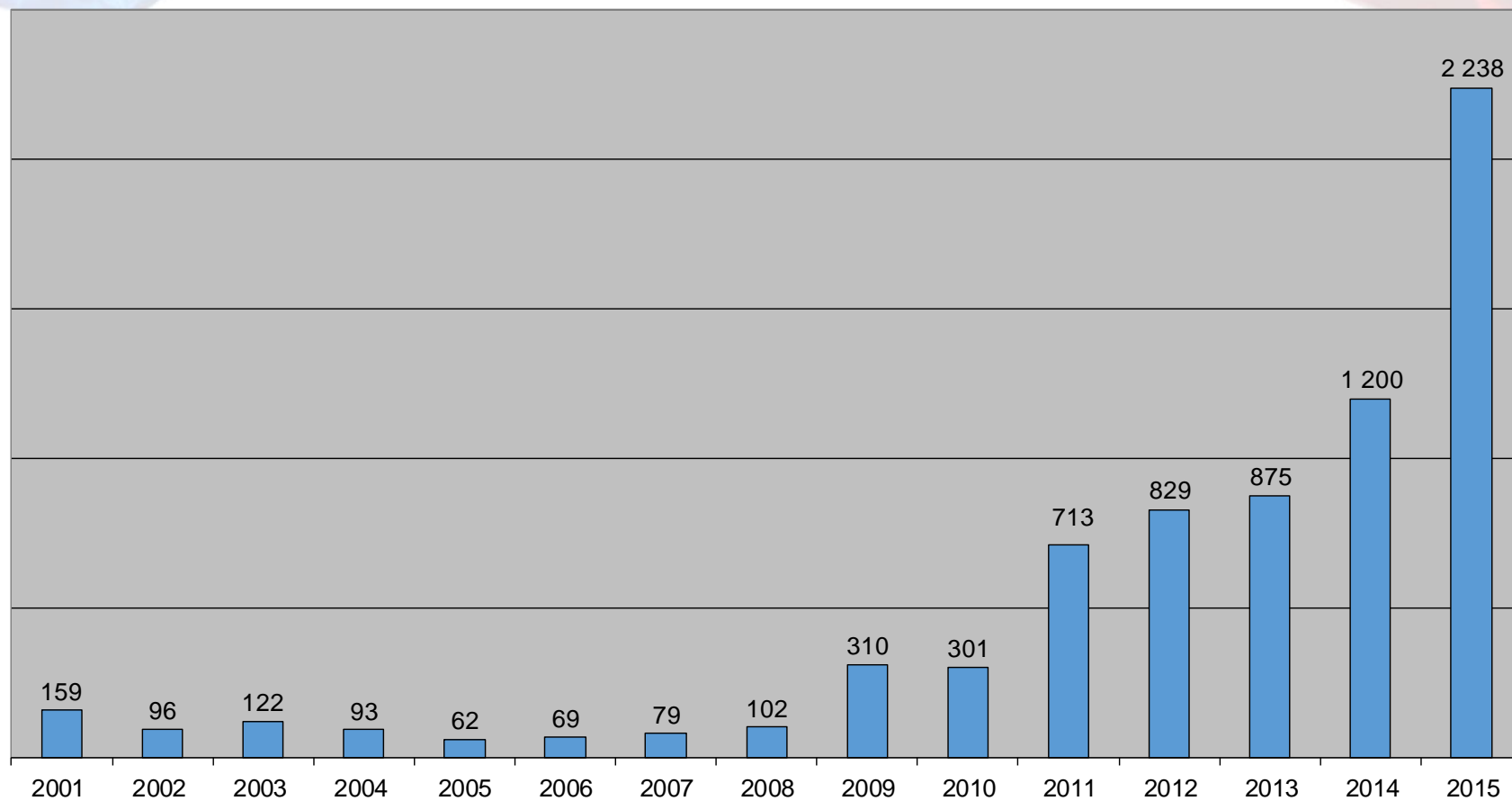


Source: The National Bank of Poland.

Nominal and effective tax rates on banks (%)



Contributions to the assistance fund in the Bank Guarantee Fund (BFG) (mln PLN)

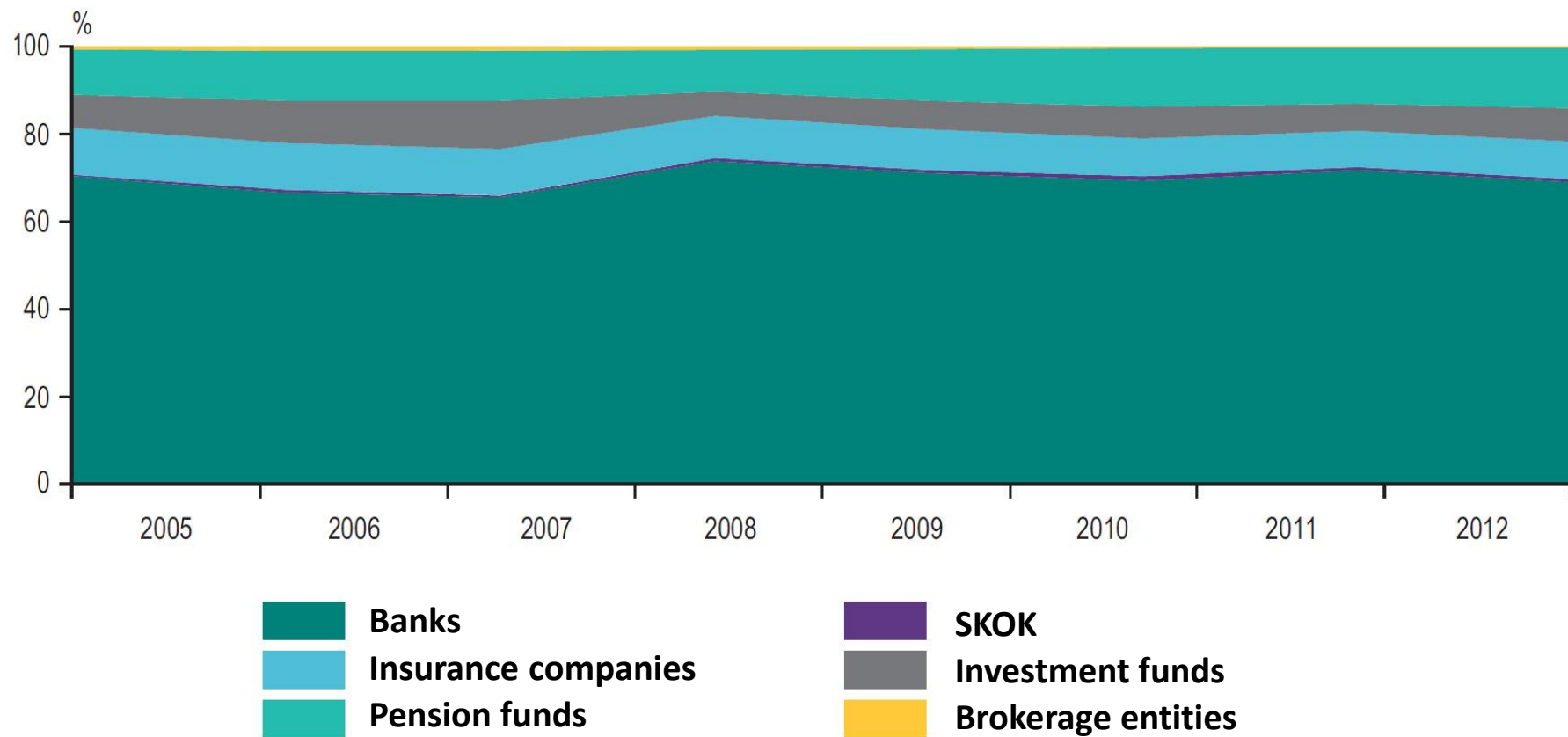


Source: The Bank Guarantee Fund, The Polish Bank Association.



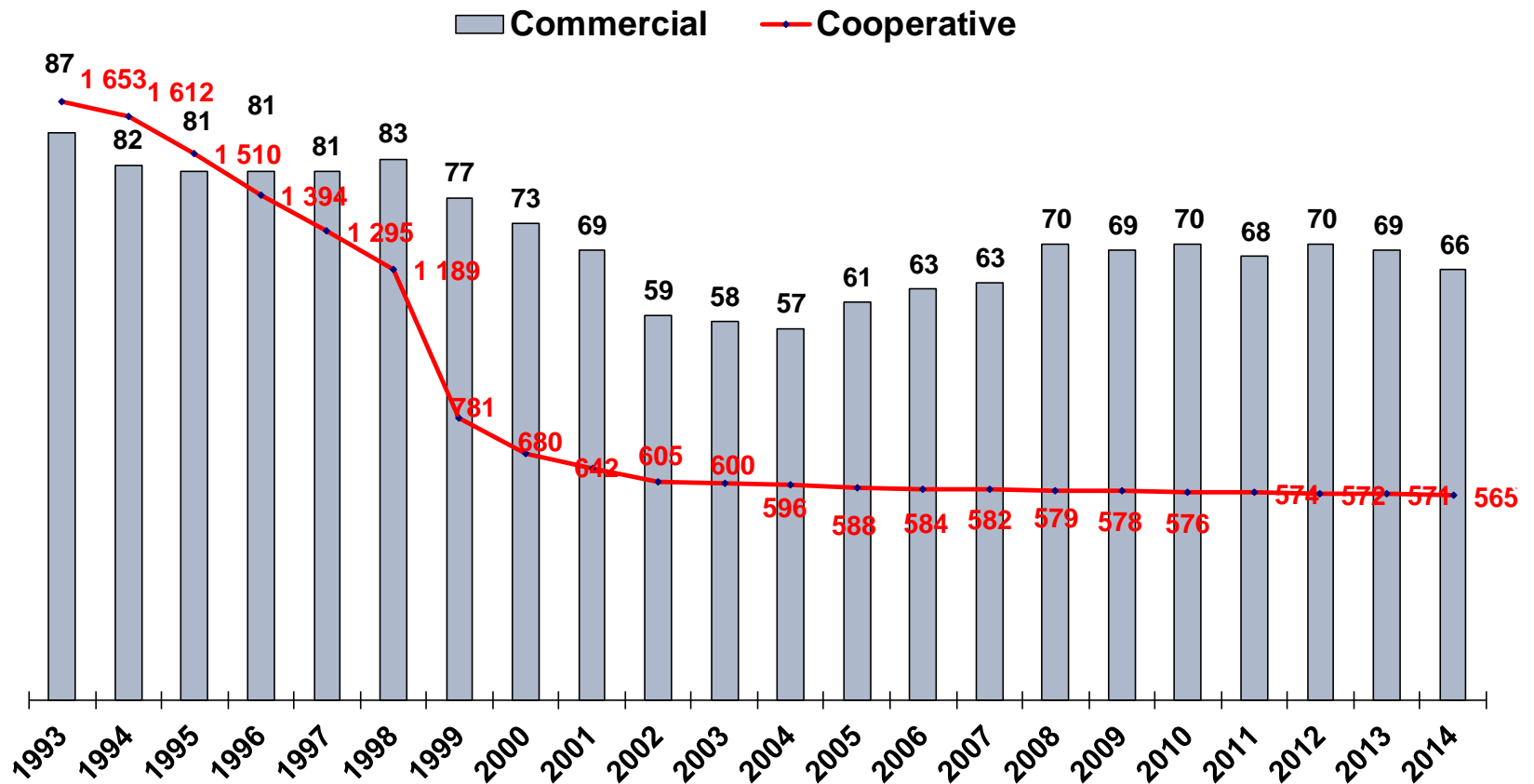
**Banking services
in the country of
social market economy**

The structure of the financial system in Poland (%)



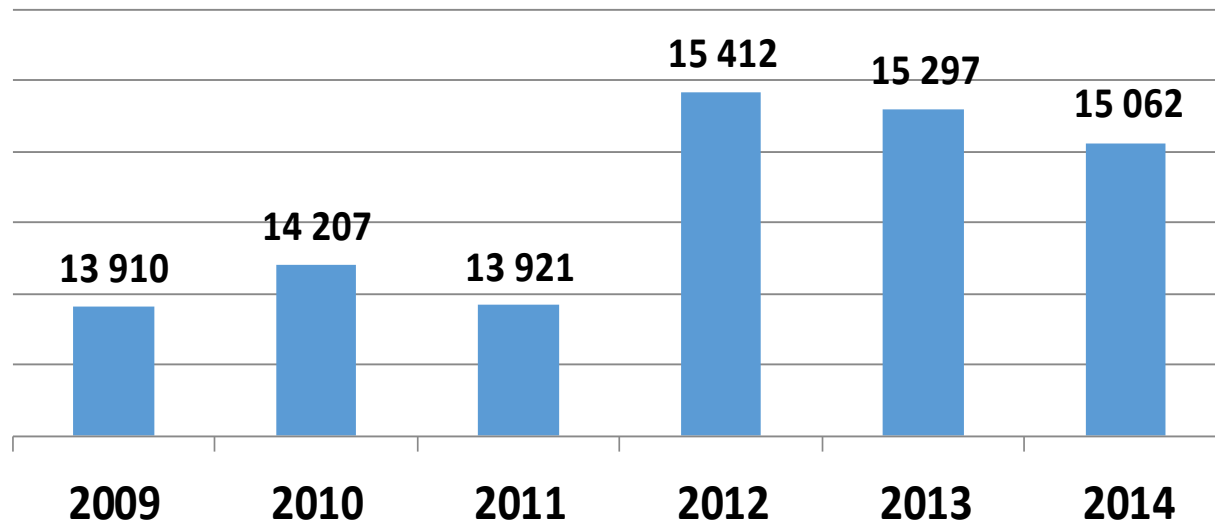
Source: The National Bank of Poland, The Polish Financial Supervision Authority, Analityz Online, K SKOK.

The number of banks



Source: The Polish Financial Supervision Authority.

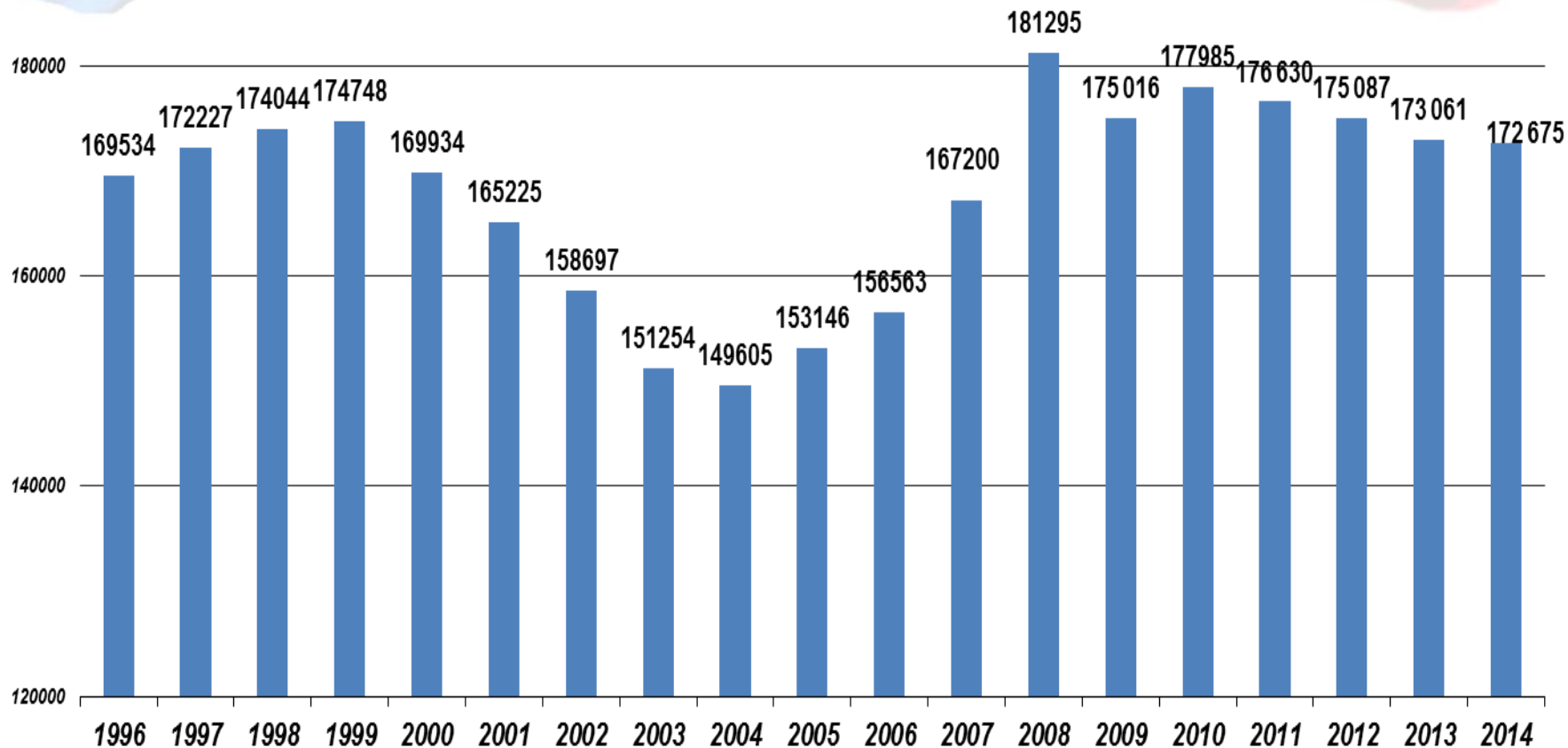
The number of branches



* Data for the years 2012-2013 not fully comparable.

Source: The Polish Financial Supervision Authority.

The number of employees (thousands)



Source: The Polish Financial Supervision Authority.



Significant role of the Polish banks in the economy

The Polish banking system:

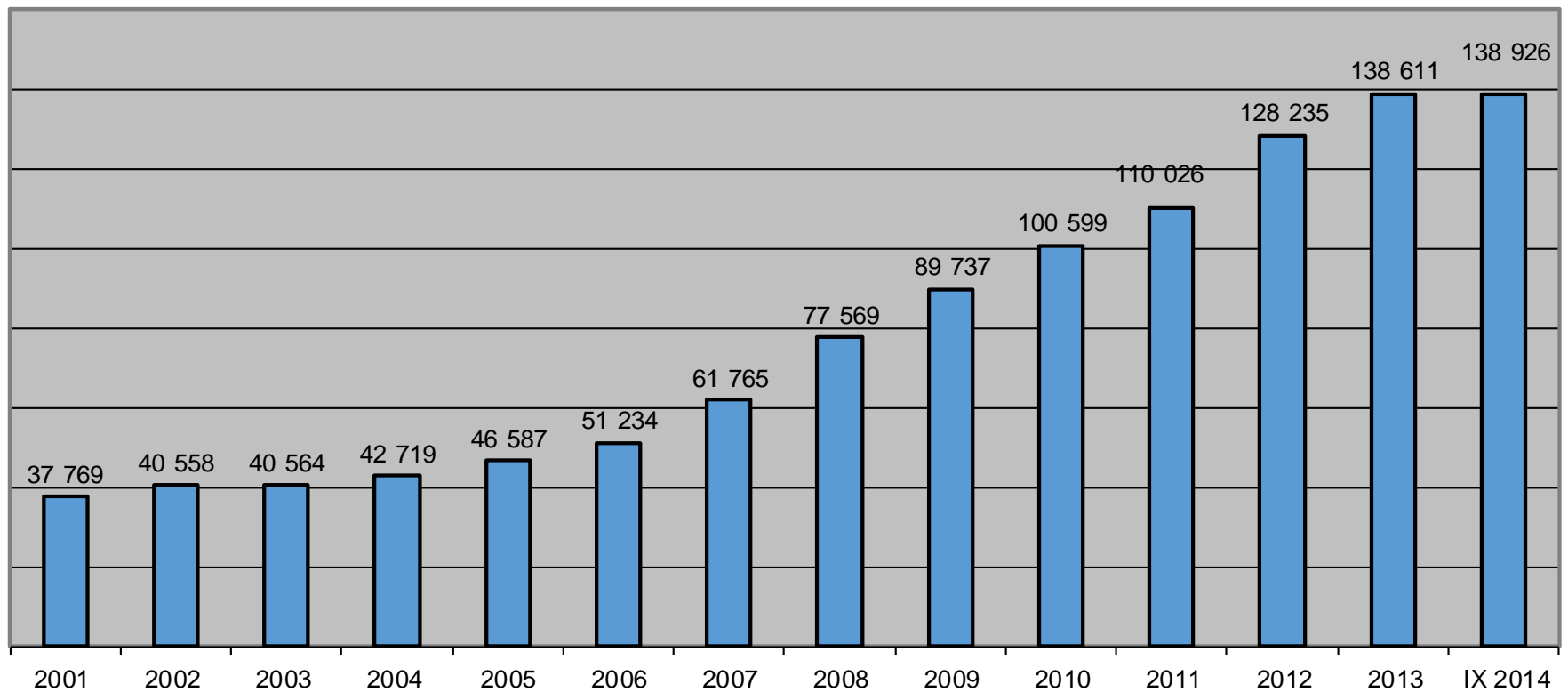
- stable economically,
- modern with regard to new technologies,
- well managed,
- well supervised,
- efficient.



Significant role of the Polish banks in the economy

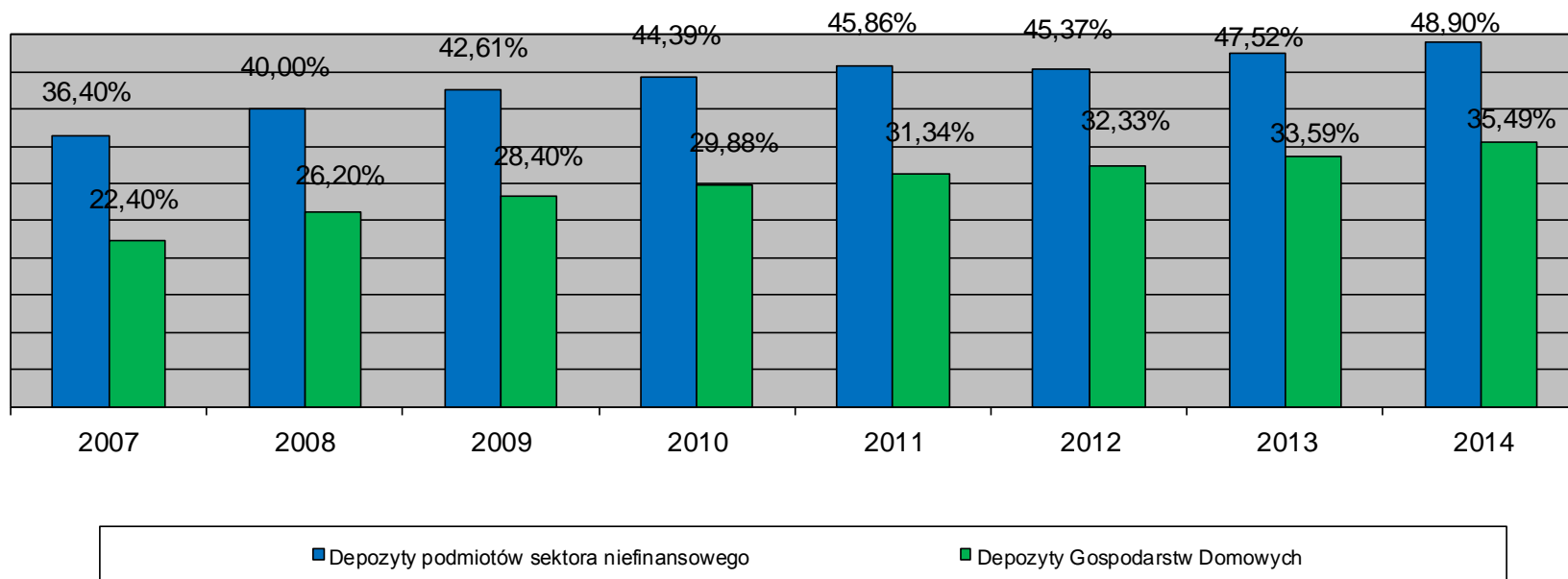
- More and more Poles use banking services.
- High level of trust in banks.
- Modern clearing system.
- Modern systems of managing risk.
- Modern systems of information exchange.
- Many new products though generally universal banking.

Equity capital for the solvency ratio in the banking sector (mln PLN)

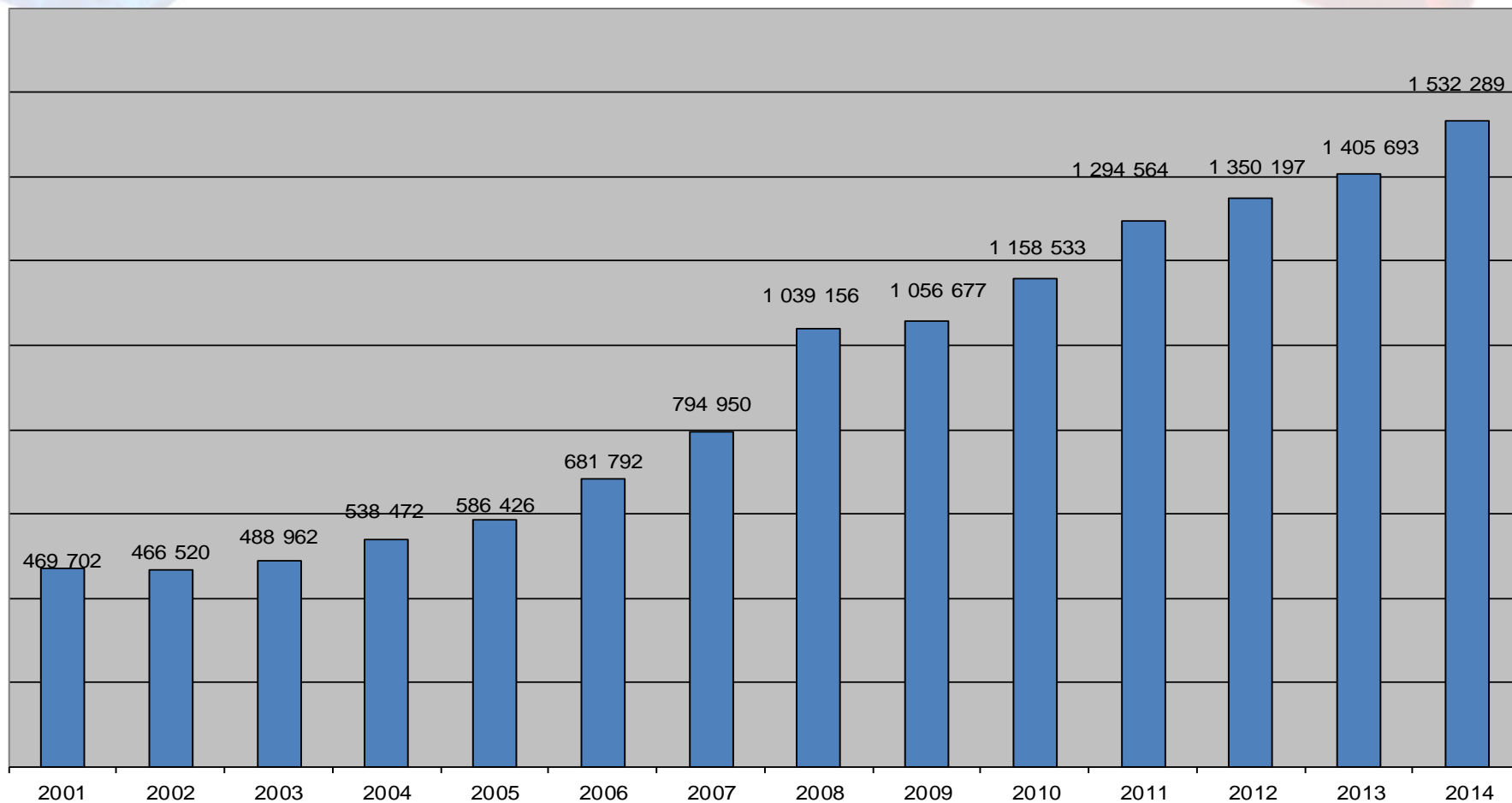


Source: The Polish Financial Supervision Authority.

Deposits/GDP (%)

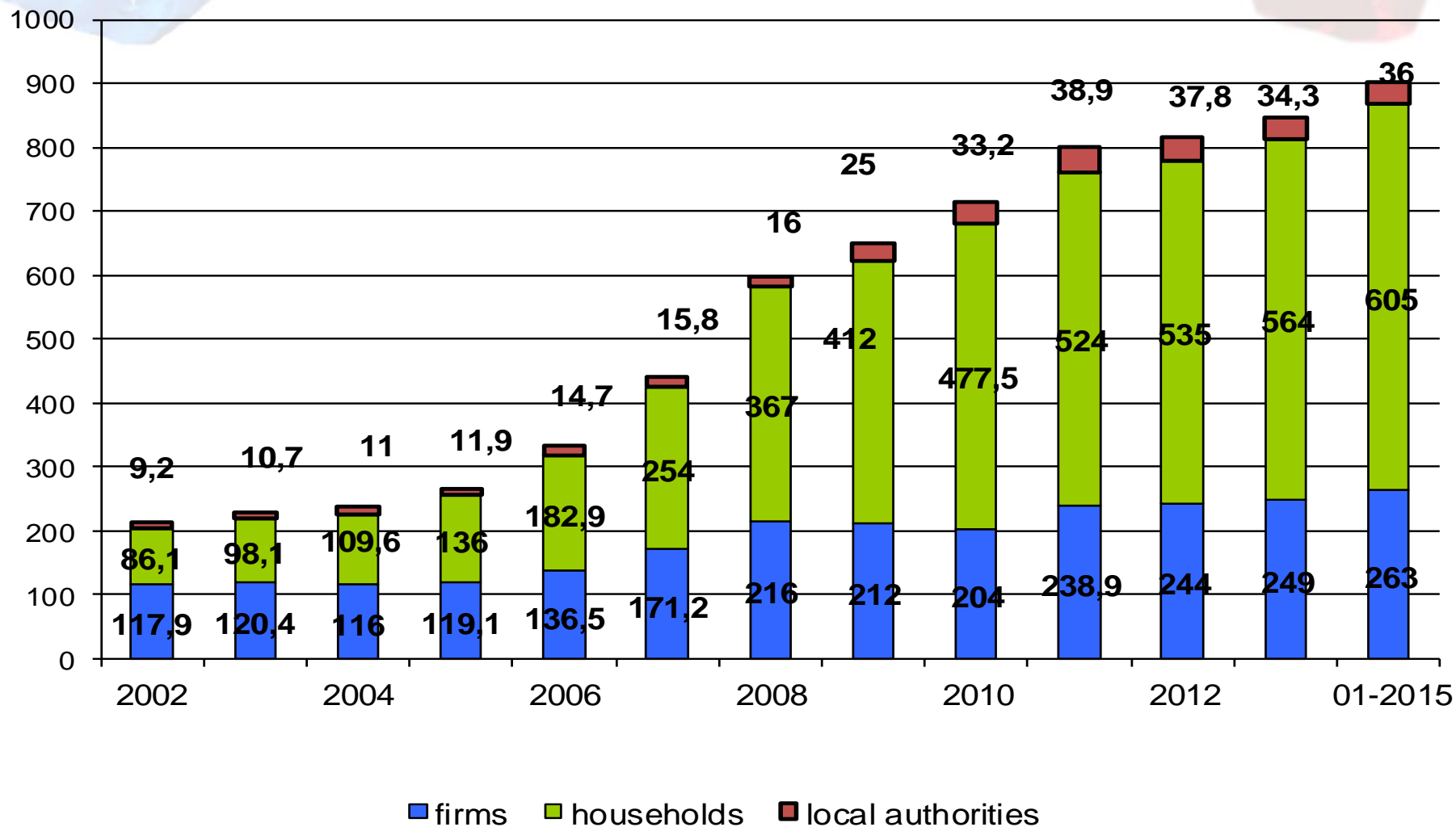


Net assets of the banking sector (bn PLN)



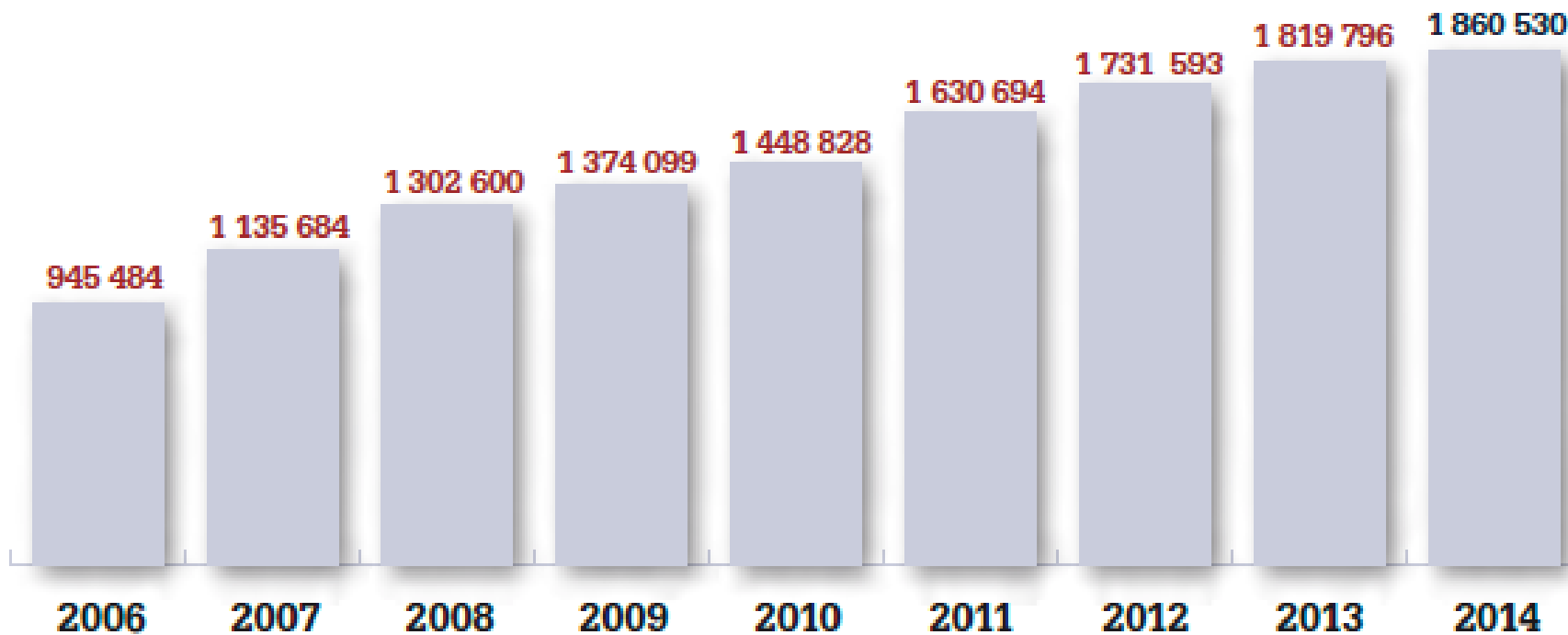
Source: The Polish Financial Supervision Authority.

Loans to the households, firms and local authorities (bn PLN)

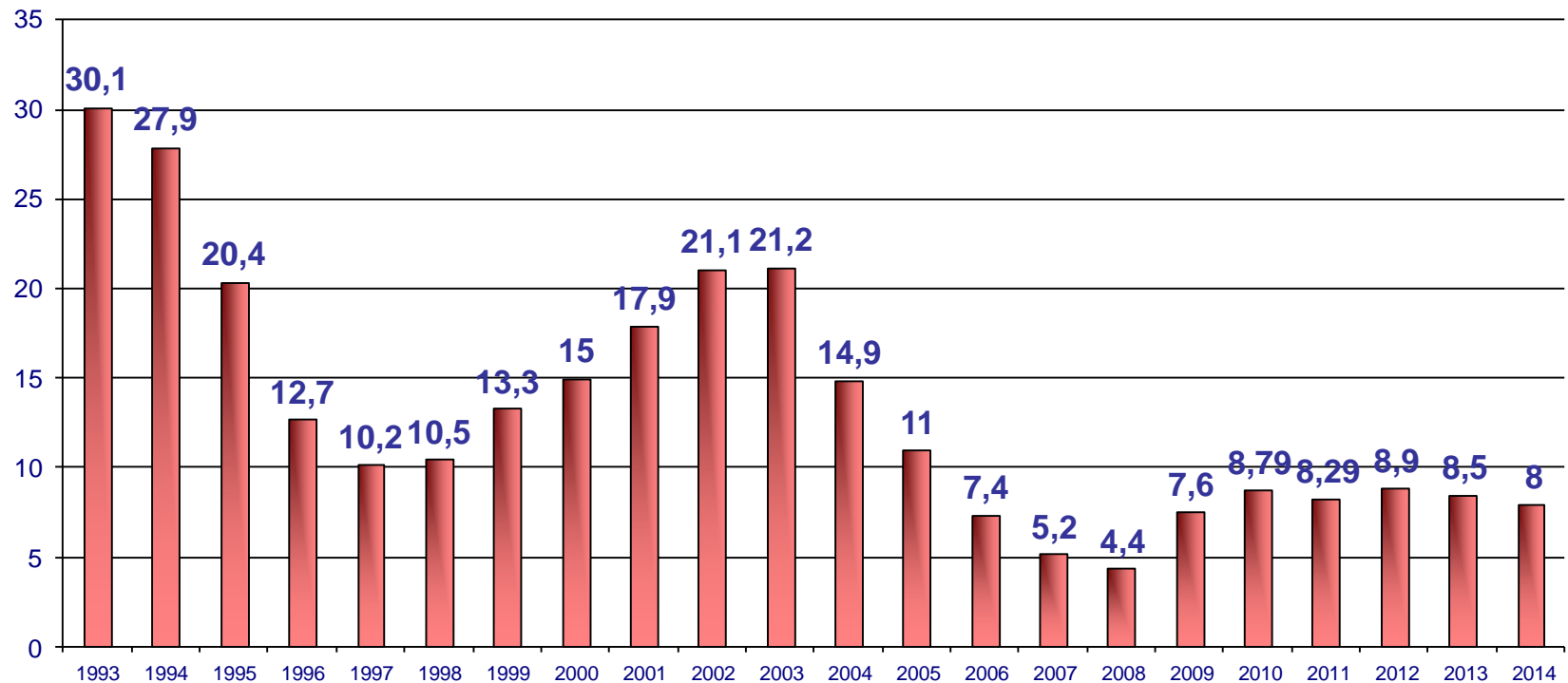


The number of active mortgage contracts in the years 2006-2014 (thousands)

Wykres 1. Liczba czynnych umów o kredyt mieszkaniowy w latach 2006–2014

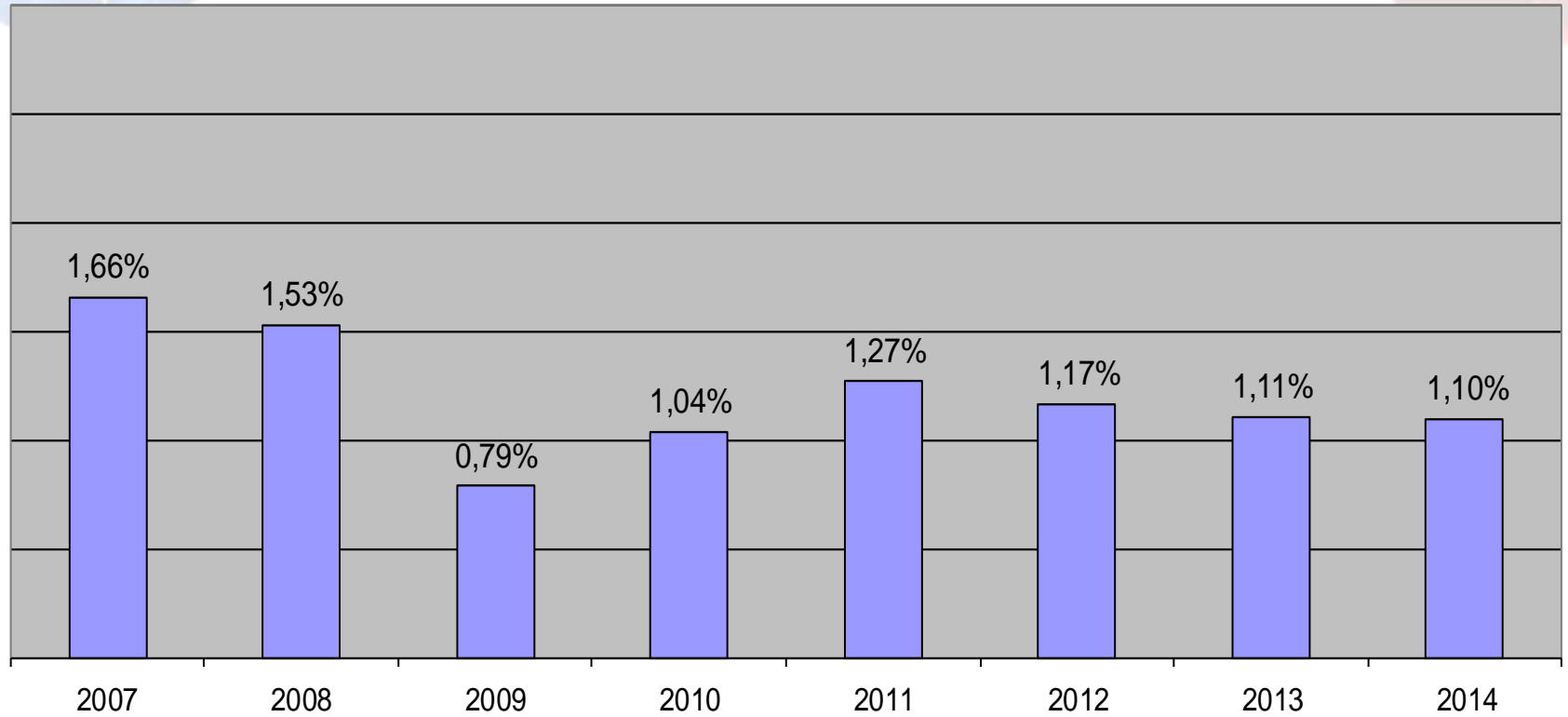


Impaired receivables as % of all receivables

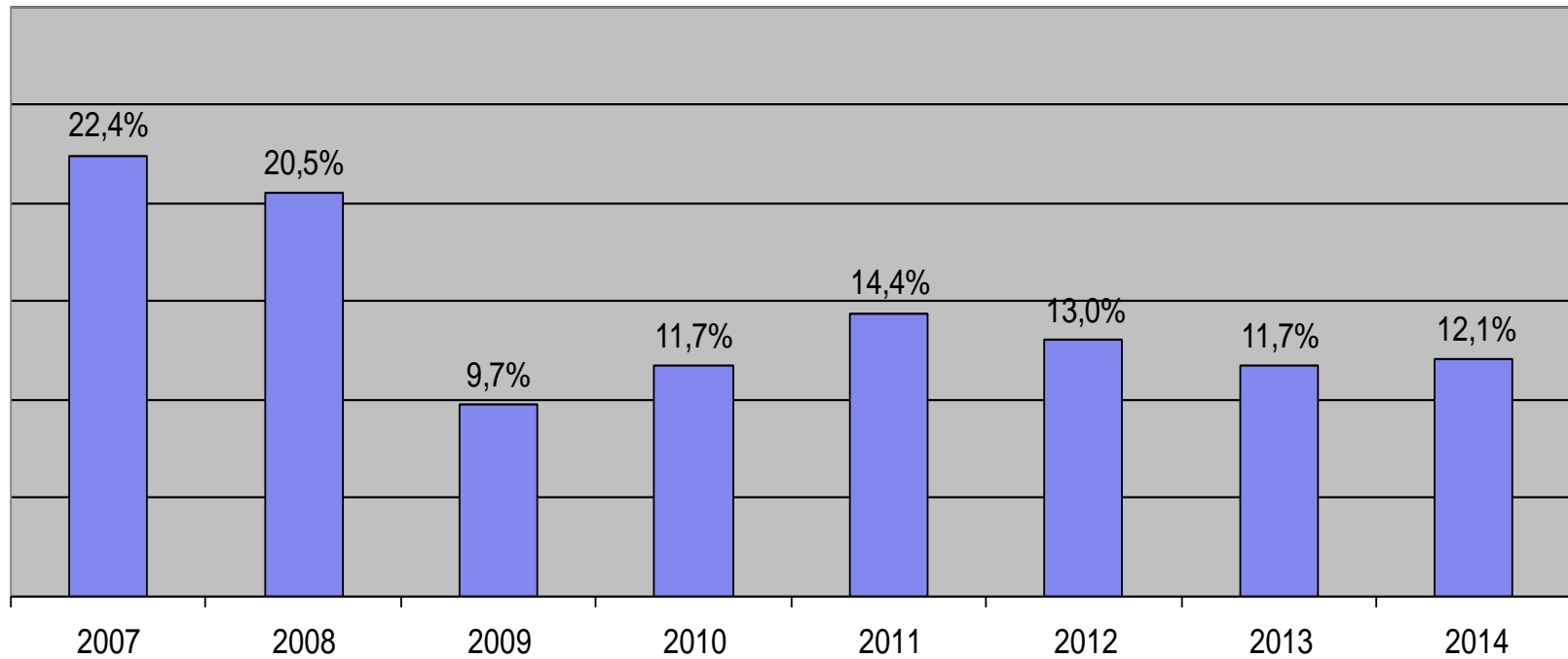


Source: The Polish Financial Supervision Authority.

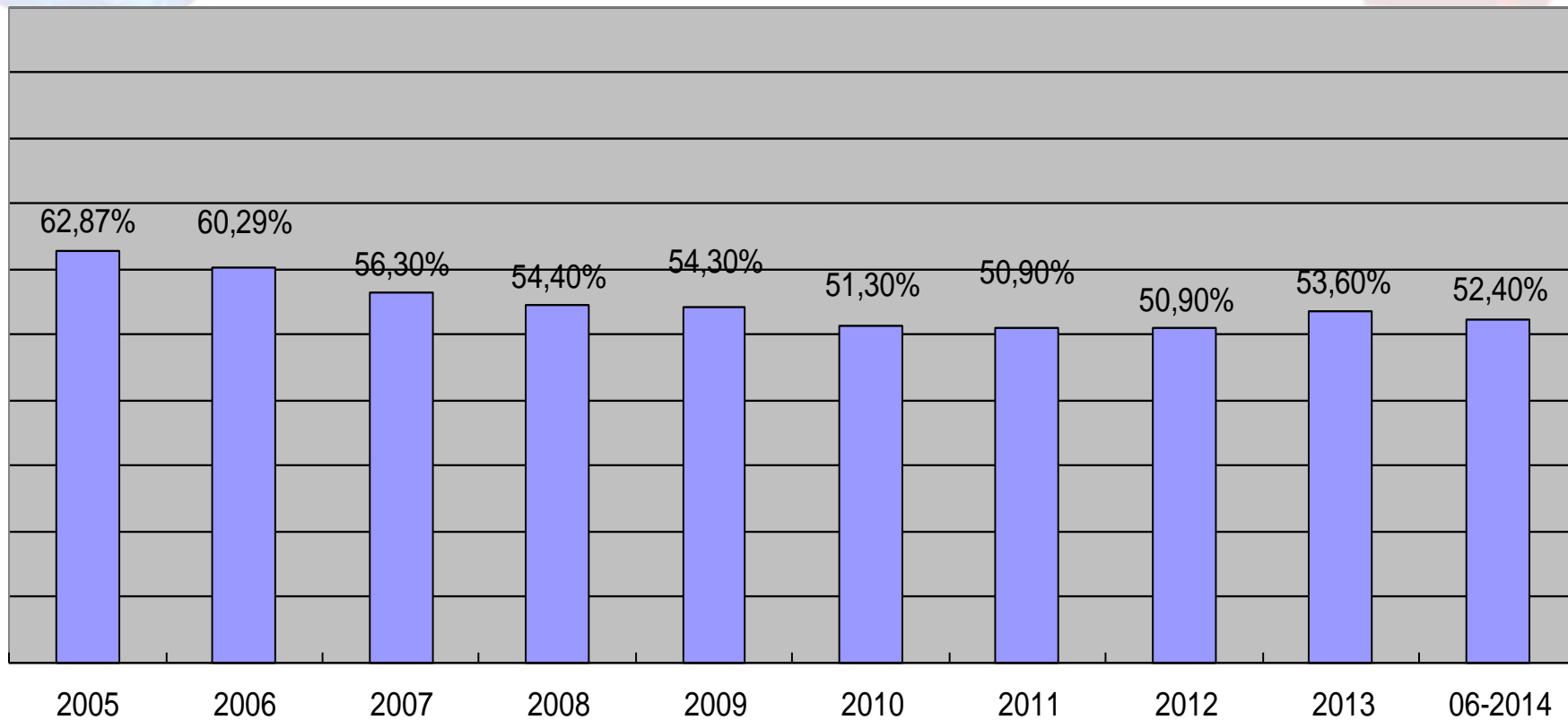
ROA (%)



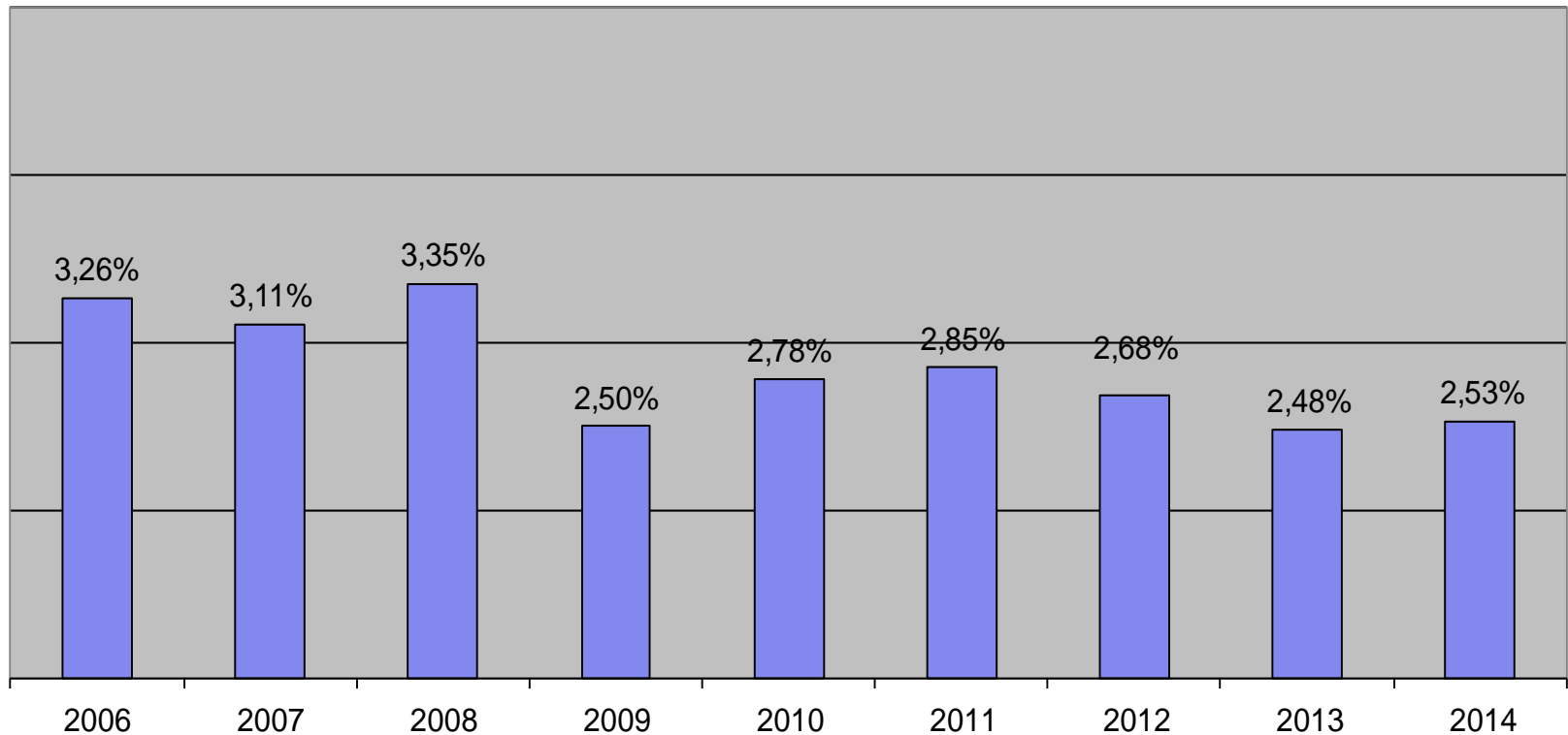
ROE (%)



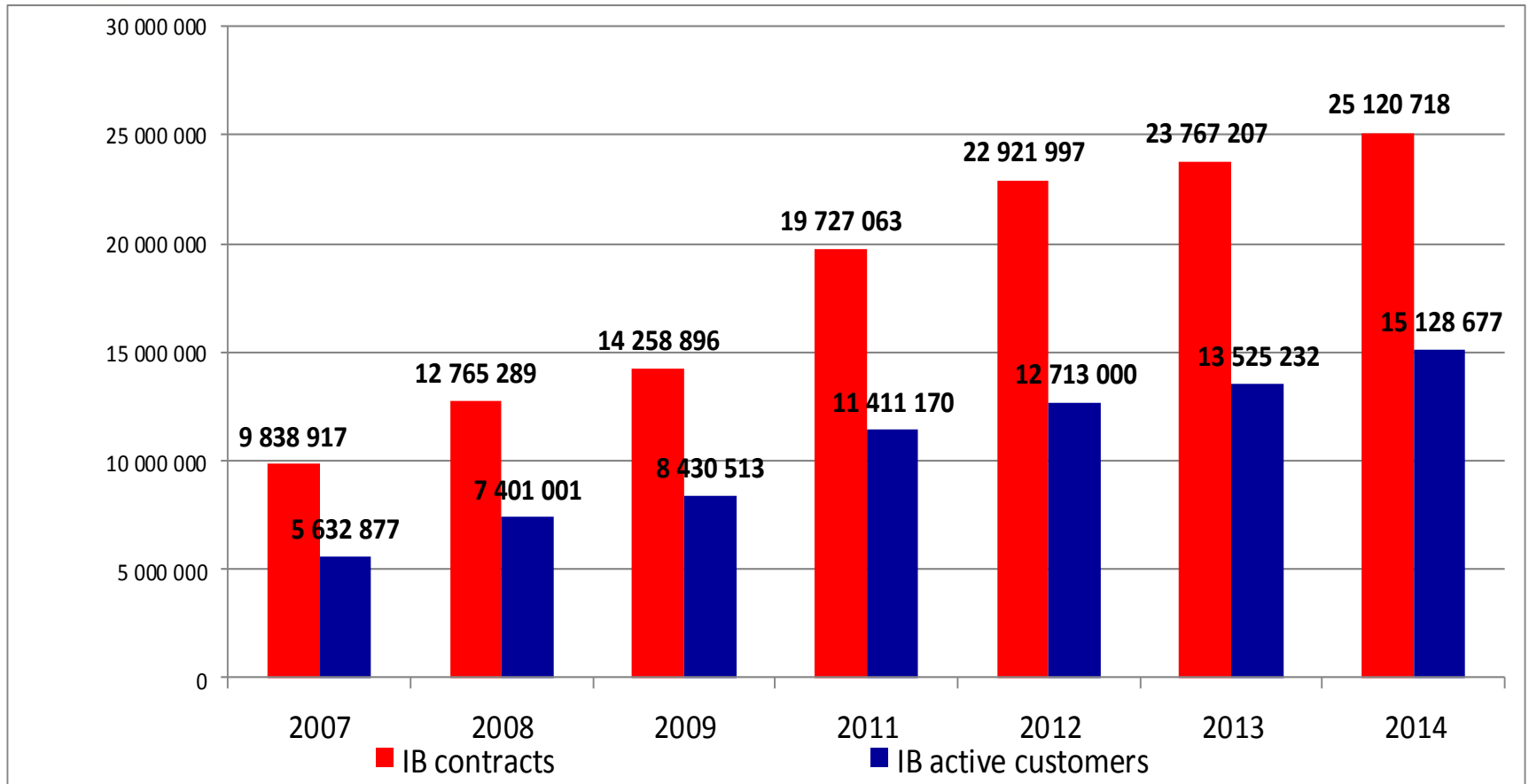
Operating costs ratio (%)



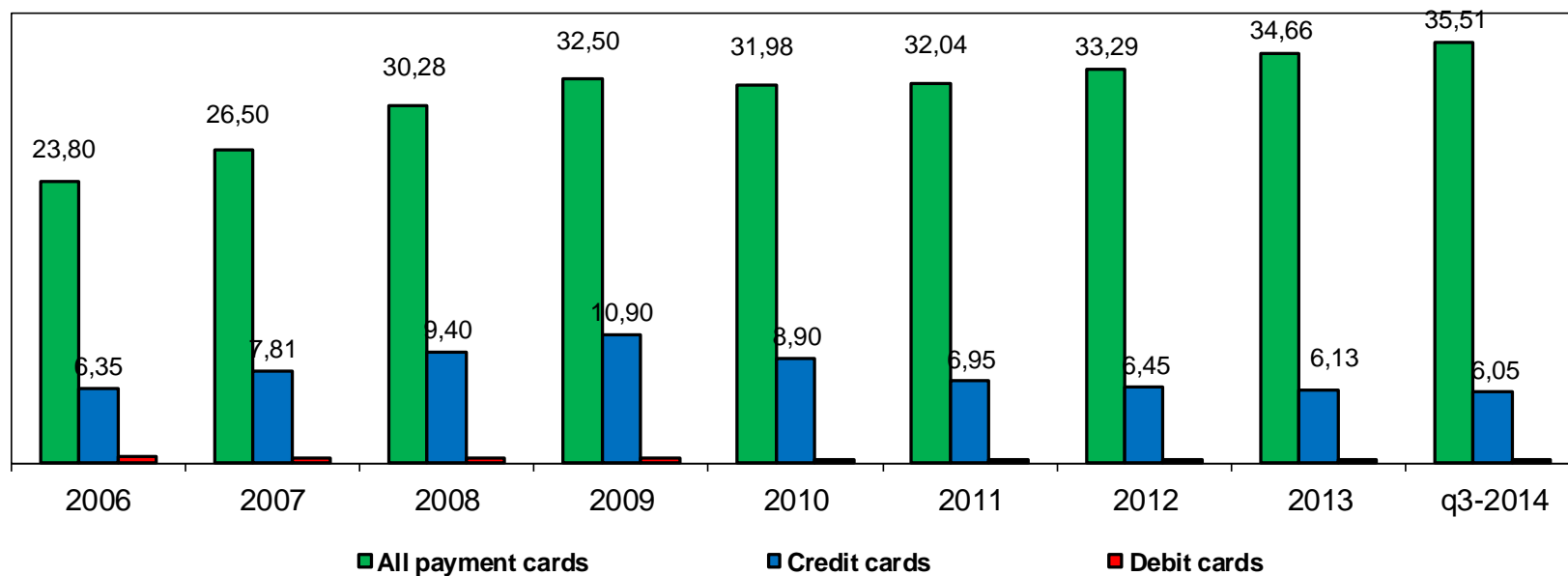
Interest margin (%)



Internet banking (mln)



The number of payment cards in Poland (mln)



Aktywność banków w absorpcji funduszy unijnych w minionej perspektywie finansowej

Ogółem:

- >100 banków, wszystkich rodzajów (w tym: 7-40 liderów)
- >35 mld PLN – Programy 2007-2013
- >62 tys. umów kredytowych na projekty unijne

w tym:

- 21 mld PLN, 18,5 tys. umów kredytowych- Polityka Spójności
- 4 mld PLN, 40 tys. umów kredyt.- PROW
- 0,6 mld PLN- JESSICA, JEREMIE (z bankami)
- 0,19 mld PLN- gwarancje bankowe w PROW
- 7,5 mld PLN- obligacje komunalne
- 0,55 mld, 3,6 tys. umów- CIP, Progress

Zakres usług związanych z realizacją projektów współfinansowanych ze środków unijnych

- Aktywność banków widoczna jest na wielu polach
- Banki w ramach obsługi projektów unijnych oferują usługi związane z finansowaniem, rozliczeniami, doradztwem, gwarancyjne

DORADZTWO

- analiza możliwości pozyskania wsparcia
- przygotowanie montażu finansowego

ROZLICZENIA

- wyodrębniony rachunek bankowy
- inkaso dokumentowe
- akredytywa dokumentowa

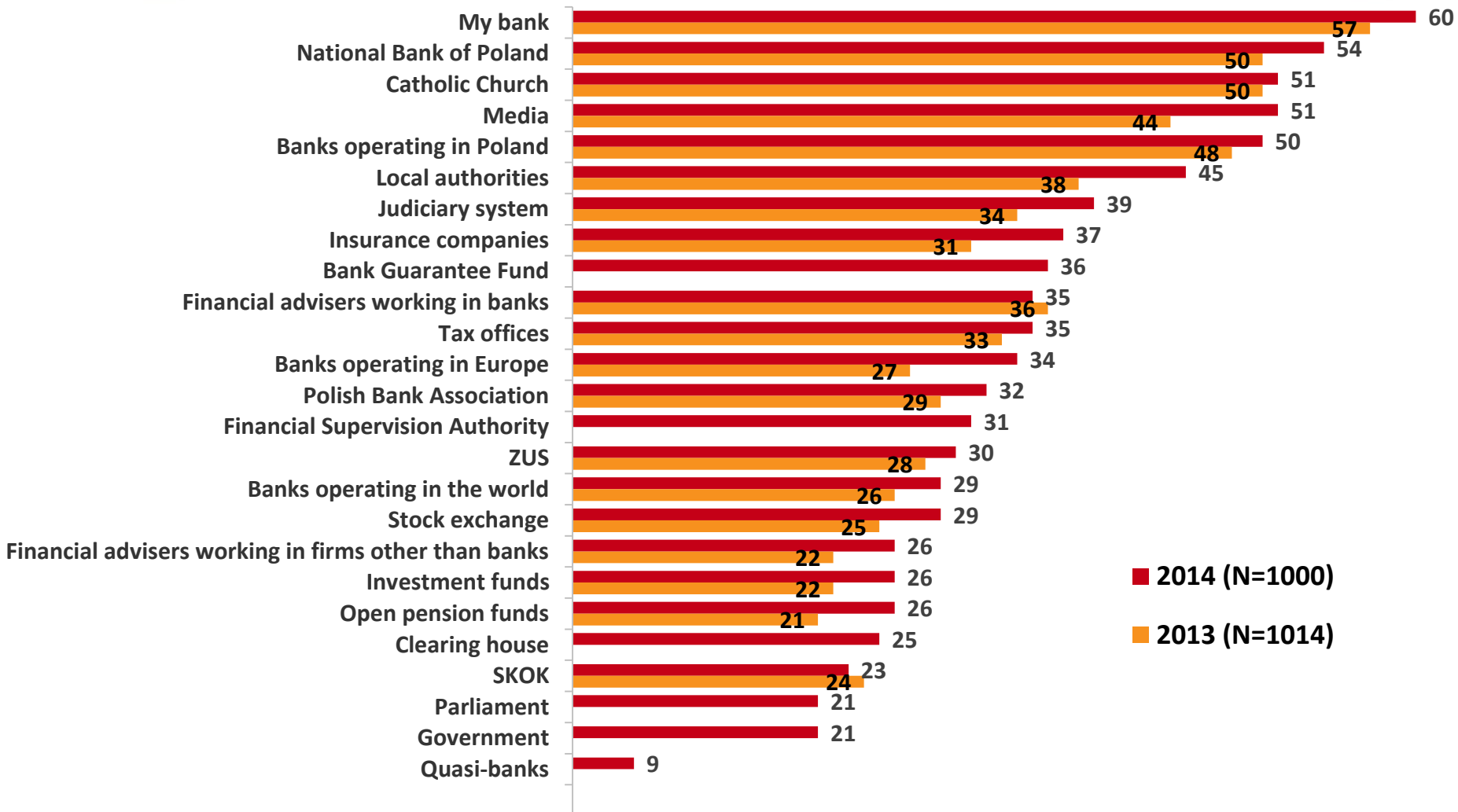
- kredyt pomostowy
- kredyt na pokrycie kosztów niekwalifikowalnych
- kredyt finansujący wkład własny
- obligacje
- promesa kredytowa
- leasing

FINANSOWANIE

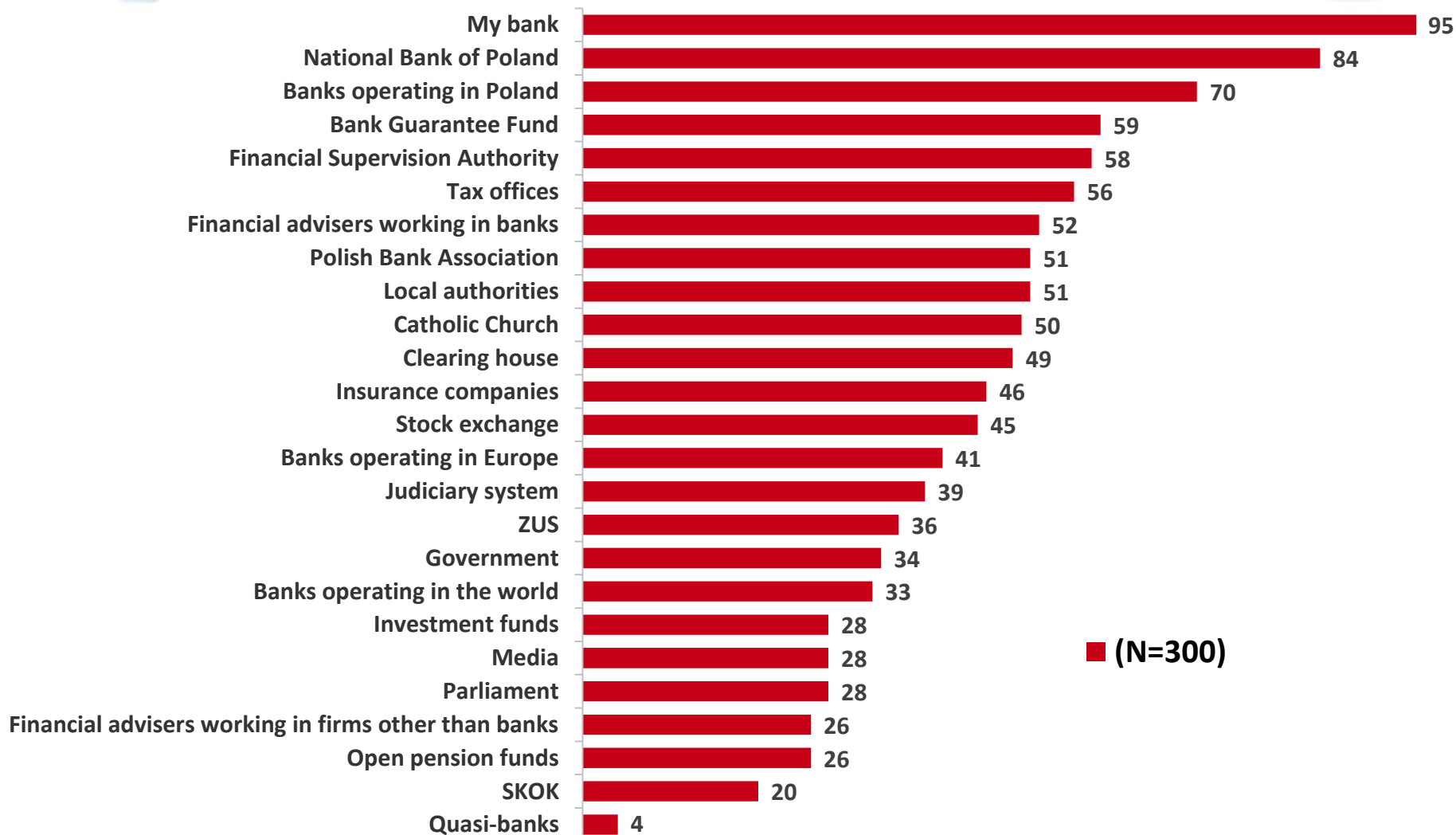
- gwarancje bankowe
- gwarancje PROW

GWARANCJE

Trust in institutions – public opinion (%)

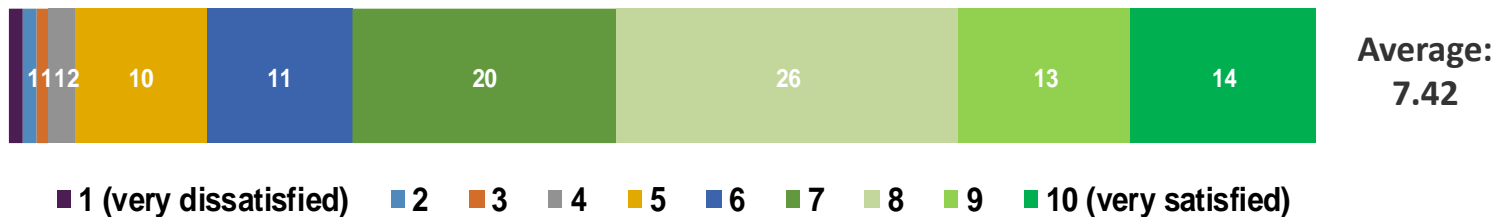


Trust in institutions – entrepreneurs (%)



The public opinion on the satisfaction from banking services (%)

Please evaluate on a scale from 1 to 10 how satisfied are you from the services of your bank:



With hindsight, how do you evaluate your decision to choose a bank?

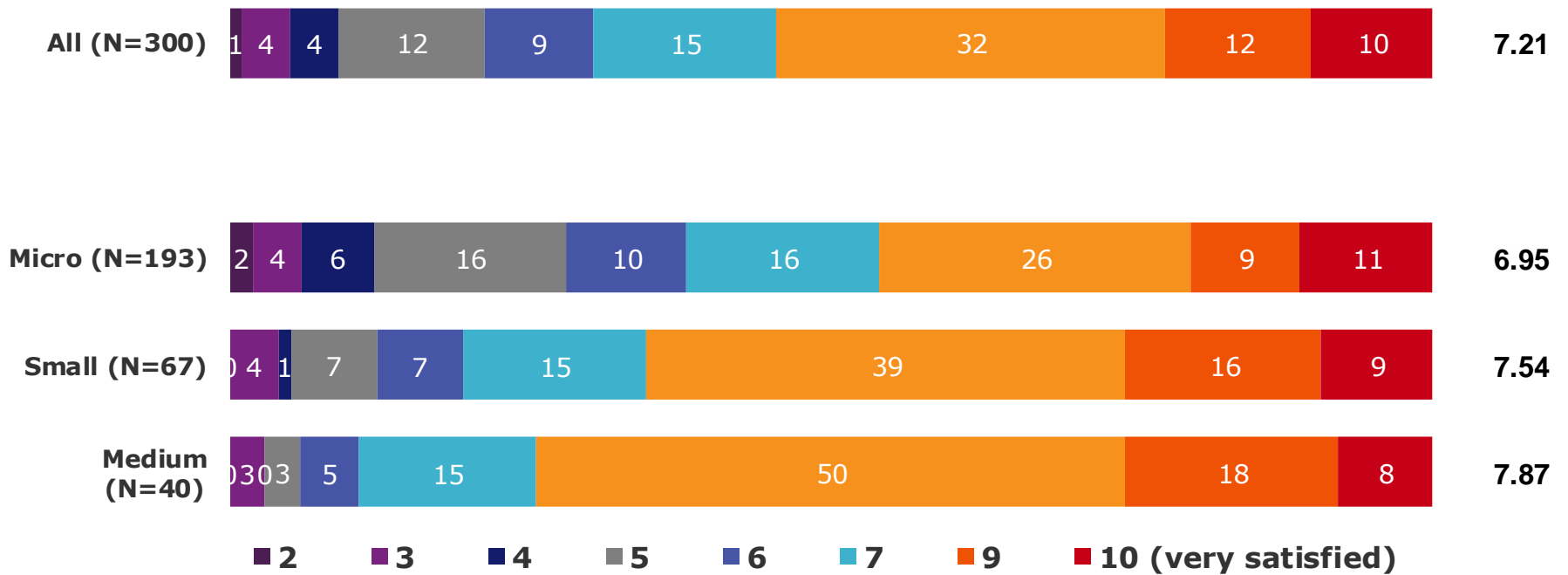


- The decision was bad. The bank turned out to be completely different than I had expected.
- I don't know / difficult to say.
- The decision was good but after some time it turned out that the bank has not fully met my expectations.
- The decision was very good - the bank is exactly that I expected.

The entrepreneurs on the satisfaction from banking services (%)

Please evaluate on a scale from 1 to 10 how satisfied are you from the services of your bank.

Average:



Reputation of the banking sector – TRI*M Reputation Index

■ Banks – public opinion	30 (+2)
■ Banks – entrepreneurs	31
Micro	27
Medium	37
Small	38
■ SKOK	7 (+3)
■ Quasi-banks	-13 (+2)



Media 27 (no change)



Telecommunications companies 25 (+2)



Insurance companies 24 (+2)



Property developers 14 (+1)





Why did we succeed?



- It is not accidentally or by coincidence.
- It is due to a lot of wise political and economic decisions.
- It is due to a solid work of the Polish bankers, employees and graduates of universities, regulators and supervisors.
- It is also due to a responsible attitude of investors.



THANK YOU FOR ATTENTION

**Krzysztof Pietraszkiewicz
President of the Polish Bank Association**

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