

Financial results of banks in 2020



Dynamics of the net financial result y/y

In 2020 the net financial result of the banking sector¹ amounted to 7.5 bn PLN, ie. less 45.3% y/y. The balance sheet total increased by 17.7% y/y and amounted to 2 344.0 bn PLN. The value of loans for the non-financial sector increased by 0.8% y/y to 1 140.0 bn PLN, while the value of deposits of this sector increased by 12.8% y/y to 1 424.3 bn PLN.

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The net financial result in 2020 amounted to a lower value than in 2019 by 6.2 bn PLN

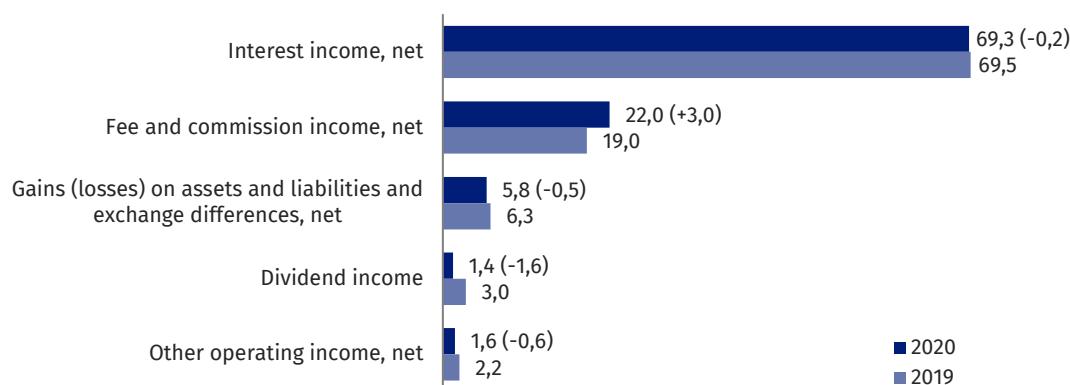
Table 1. Selected items of the income statement of the banking sector

SPECIFICATION	2019	2020	
	in PLN million		2019=100
Total operating income, net, of which:	70 392	67 530	95.9
interest income, net	48 934	46 808	95.7
fee and commission income, net	13 350	14 841	111.2
other operating income, net	1 551	1 081	69.7
Administrative expenses	34 682	34 533	99.6
staff expenses	17 679	17 361	98.2
other administrative expenses	17 003	17 171	101.0
Depreciation	4 410	4 573	103.7
Provisions or reversal of provisions	2 406	3 514	146.1
Impairment or reversal of impairment on assets	9 214	11 947	129.7
of which financial assets at amortised cost	9 062	11 766	129.8
Financial result from operating activity	19 310	12 033	62.3
Tax expense related to profit or loss from continuing operations	5 497	4 615	84.0
Net financial result	13 770	7 538	54.7

The net financial result for 2020 consists of net profits of 557 banks in the amount of 9.3 bn PLN and net losses worth 1.8 bn PLN of 39 banks (22 commercial banks, of which 14 branches of credit institutions and 17 co-operative banks).

93.5% of banks achieved a net profit in 2020

¹ Compilation based on the data of the National Bank of Poland from the Polish banking sector for 2020 sent to Statistics Poland on 15 February 2021. Data for 2019 based on the NBP website (available on 4 March 2021). The number of banks according to data of the PFSA. Presented statistics exclude data for banks in an organizing phase, in bankruptcy, in liquidation, or in resolution.

Chart 1. Structure of the total operating income, net (in %, changes in percentage points)**Table 2. Selected items of the balance sheet of the banking sector**

SPECIFICATION	31 XII 2019	31 XII 2020	
	in PLN million		31 XII 2019=100
Balance sheet total	1 991 778	2 343 953	117.7
of which financial assets at amortised cost	1 418 618	1 521 537	107.3
Total liabilities	1 782 483	2 116 385	118.7
of which financial liabilities measured at amortised cost	1 715 709	2 022 058	117.9
Equity	209 295	227 568	108.7

The increase of the balance sheet total by 352.2 bn PLN, of which equity by 18.3 bn PLN

As of 31 December 2020, the largest item of assets of the banking sector were financial assets at amortised cost which amounted to 64.9% (a decrease by 6.3 p. p. y/y) of the assets total. On the liabilities side, the dominant item was financial liabilities measured at amortised cost, which amounted to 86.3% (an increase by 0.2 p. p. y/y) of liabilities total. Share of the equity in liabilities total amounted to 9.7% (a decrease by 0.8 p. p. y/y).

Table 3. Loans² to the non-financial sector and the general government sector

SPECIFICATION	31 XII 2019	31 XII 2020	
	in PLN million		31 XII 2019=100
Non-financial sector, of which:	1 130 718	1 139 956	100.8
Corporations	383 193	367 219	95.8
Large corporations	177 974	169 591	95.3
SME	205 219	197 629	96.3
Households, of which:	739 939	764 776	103,4
housing loans	445 265	477 590	107.3
consumer loans to individuals	167 025	166 226	99.5
General government sector	88 002	94 041	106.9

Value of loans for the non-financial sector increased by 9.2 bn PLN (at an increase of households loans by 24.8 bn PLN, while loans of corporations decreased by 16.0 bn PLN)

² Portfolio B, gross carrying amount.

As of 31 December 2020, loans for corporations belonged mostly (53.8%, more than a year earlier by 0.2 p. p.) to SMEs. While, housing loans (of which 97.0 bn PLN linked with CHF/PLN exchange rate) and consumer loans to individuals together amounted to 84.2% (an increase by 1.5 p. p.) of loans for households.

Table 4. Deposits of the non-financial sector and the general government sector

SPECIFICATION	31 XII 2019	31 XII 2020	
	in PLN million		31 XII 2019=100
Total	1 347 527	1 544 652	114.6
current	899 131	1 208 425	134.4
term	448 396	336 227	75.0
Non-financial sector	1 262 287	1 424 344	112.8
current	833 605	1 122 488	134.7
term	428 682	301 856	70.4
General government sector	85 240	120 308	141.1
current	65 526	85 937	131.1
term	19 714	34 371	174.3

Value of the non-financial sector deposits increased y/y by 162.1 bn PLN, and deposits of the general government sector increased by 35.1 bn PLN

The share of term deposits in the total amount of deposits of the non-financial sector and the general government sector decreased y/y by 11.5 p. p. (to 21.8%). Changes of the share of term deposits in deposits total of these two sectors separately had the opposite direction. While the share of term deposits in deposits total of the non-financial sector decreased y/y by 12.8 p. p. (to 21.2%), the share of term deposits in deposits total of the general government sector increased y/y by 5.4% (to 28.6%).

Chart 2. Difference between the value of receivables (of which loans) and the value of liabilities (of which deposits) of the banking sector towards the non-financial sector and general government sector (as of the end of the given quarter)

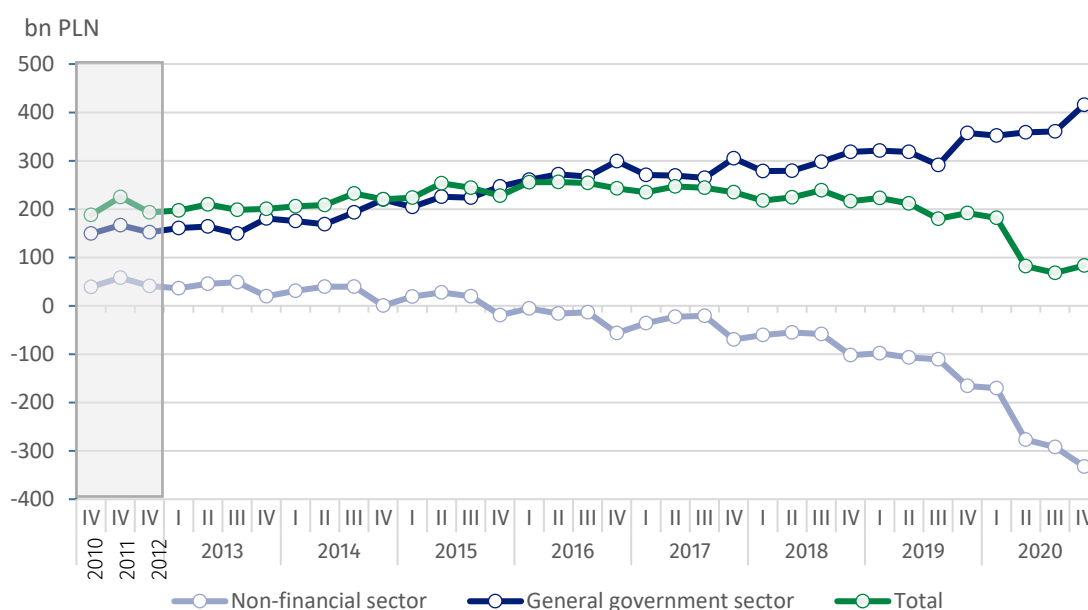


Table 5. Number of banks by legal form and ownership structure

SPECIFICATION	2019	2020	Change
	as of 31 December		
Total	600	596	-4
Commercial banks	62	66	+4
with a majority share of the Polish equity	13	14	+1
with a majority share of a foreign equity	49	52	+3
of which with a 100% share of a foreign equity	39	43	+4
of which branches of credit institutions	32	36	+4
Co-operative banks	538	530	-8

In 2020, four new commercial banks began operating activity, one in the form of a joint-stock company with a majority share of the Polish equity (the bridge bank³) and three branches of credit institutions. Additionally, one bank with a 100% share of foreign equity changed the legal form from a joint-stock company into a branch of a credit institution and one branch of a credit institution was replaced by another branch of a credit institution from the same capital group.

The number of co-operative banks decreased as a result of the mergers in 2020 of six co-operative banks with other co-operative banks and as a result of the resolutions⁴ of two co-operative banks in consequence of which one of these banks was taken over by the bridge bank and the second by the affiliating bank.

³ The bridge institution - an entity having the Bank Guarantee Fund as its sole shareholder or the parent company created to assign equity interest of an entity under restructuring, its business or property rights or liabilities of an entity under restructuring with a view to continuing in full or in part of business pursued by an entity under restructuring. The creation of bridge institutions is governed by 14th chapter of the Act mentioned in in 4th footnote.

⁴ According to the Act of 10 June 2016 on the Bank Guarantee Fund, Deposit Guarantee Scheme and Resolution (Journal of Laws of 2019 item 795 as amended).

Prepared by:

**Macroeconomic Studies
and Finance Statistics Department**

Director Mirosław Błażej

Office tel: (+48 22) 608 37 73

Issued by:

**The Spokesperson for the President
of Statistics Poland**

Karolina Banaszek

Mobile: (+48) 695 255 011

Press Office

Office tel: (+48) 22 608 34 91, 22 608 38 04

e-mail: obslugaprasowa@stat.gov.pl



www.stat.gov.pl



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Data available in databases

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Terms used in official statistics

[Commercial bank](#)

[Co-operative bank](#)

[Bank credit](#)

[Deposit](#)