

'Non-bank lending market ahead of CCD 2'
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at the UKNF

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1. Good morning, Ladies and Gentlemen. I would like to extend my thanks to professor Leszek Pawłowicz, as he trusted me once again and invited me to take an active part in the Consumer Finance Congress. It is an important and prestigious event in the economic life of Poland, and in particular in the calendar of our financial market. I feel honoured that I am an active member of the Congress's Project Board and that I can stand before you today to share my knowledge and insights on the condition of the non-bank lending market ahead of the implementation of the CCD2 to the Polish legal system.
2. At the outset, let me remind you that my mission in the area of exercising supervision of the non-bank lending market started more than two years ago, and exactly 23 months have passed since the supervision of that market became reality. On 1 September 2023, I was given a task of building a new supervisory department and creating a supervision strategy, and on 1 January 2024 I actually started exercising that supervision.
3. The non-bank lending market catches a lot of attention among media outlets, politicians, and academics. This is why I often speak publicly and share my experience related to the supervision of the market in question. I have already mentioned how difficult the beginnings were, when the supervision authority and supervised entities learned each other, developed standards for supervision, cooperation and dialogue, and verified the rules of conducting business. A lot has been happening. In my opinion, the supervision authority has contributed to increasing the market's confidence in non-bank lending institutions and to building identity and quality of that market. The market is in good shape, in my opinion. In a short period of time, a large group of non-bank lending institutions switched to new tracks: after being narrow-gauge railway, they became high-speed railway and adjusted the standard of their activity to first-class standards.
4. The non-bank lending market is one of the smaller segments within the financial market, which does not mean, however, that it is irrelevant or weak. It is characterised by a relatively large concentration; this is business formed, speaking in terms of volumes, by a group of several leaders and about a dozen of companies with significant potential, with the remaining part being relatively small companies. This is business with a big appetite for development, growth and attracting new clients, as well as establishing longer relations with them.
5. According to our latest supervisory data for the third quarter of 2025, the market has 3.4 million customers, which shows a year-to-year increase of 15%. As I have now raised the matter of financial market data, I would like to say a few words on statistical

data that we have at our disposal thanks to the system of mandatory reporting for non-bank lending institutions. I was repeatedly asked about the publication of these data – by market participants, media outlets, and other institutions. I would explain at that time why I chose not to publish them. Now, I am going to briefly say that we came to the conclusion that these data can be published and it is worth publishing them, and that we did publish them last week. In our opinion, there were several arguments for publishing the data. Firstly, after almost two years of supervision and initial experiences with the reporting system for non-bank lending institutions, we currently believe that the quality of reports submitted through the system [for non-bank lending institutions' reporting] is good enough and data based on those reports are reliable enough to be shared responsibly with the market and the public. Secondly, having regard to the fact that legislative work aimed at implementing the CCD2 and discussions on it are entering the key stage, we decided that the transparent provision of data collected as part of supervision of the non-bank lending market to all stakeholders will support the legislative process and contribute to the development of optimal regulatory solutions adjusted to the condition of the market and the most important challenges it faces. Thirdly, a factor that we took into account under our earlier policy of data sharing was the structure of the non-bank lending market, which is dominated by two leaders, one of them being subject to information requirements stemming from the capital market law. When shaping our communication policy in this regard, we aim to take care of competition protection in the market and of legitimate interests of entities operating within it. However, we are now at a point of time where the entities have already published their financial statements and other information to such an extent that we can share our data without any risk of distorting competition or infringing any interests that deserve protection.

6. Some of you may have already read the data we published last Thursday. I would not like to focus too much on them in my today's speech, but I would like to draw your attention to two issues. You can see that the data we published are data for 2024, which ended 11 months ago. In this context, I would like to emphasise that these are data for the first year in which non-bank lending institutions were subject to the KNF supervision, and the publication of the data required the elimination of barriers that I have just mentioned. This is, therefore, a break-through moment in that it is the first time when the supervision authority shared its data on non-bank lending institutions. I understand your thirst for knowledge regarding data for 2025; decisions on their publication and on the potential format of that publication will be made in the future. There is one thing, however, I can tell you today: based on the initial analysis of data collected by us for the first half-year of 2025, we do not predict this year to bring any reversal in trends visible in the data published last week. We rather expect their continuation. The data we presented were published according to the template prepared in line with the supervisory regulation. No filters or adjustment indicators were therefore added and the data are not presented with any breakdowns, in particular by entity or product, as no such criteria are provided for by the supervisory regulation. In other words, we are publishing the data according to the model and format of reporting specified in the regulation of the Minister of Finance – without any additional filters, adjustments or additional criteria and internal breakdowns.
7. I would like to now go back to the causes of a relatively big interest in services provided by non-bank lending institutions. In my opinion, it is a resultant of several forces. Firstly, starting from our own supervisory yard, we cannot underestimate the importance of non-bank lending institutions' falling subject to supervision. This gave a decisively positive boost for consumers, who see that this is a regulated market, meaning a safer and professional one. Consumers want to borrow money from non-bank lending

institutions. And this should not be seen as something negative. Borrowing money these days does not necessarily mean that consumers are struggling financially and they need to borrow money to fix their household budget. According to our supervisory information, repayment discipline, namely the loan management standard for consumers, measured by delays in payments, is acceptable. Secondly, from the macro perspective, a boost for stable growth should be seen as coming from consumers' good financial standing, their financial awareness, a change in the model of spending money, and the generally optimistic market sentiment. Consumers are getting wealthier. The situation in the labour market is stable, salaries tend to increase. Poles want to improve their standard of living and they have reached a new level in the Maslow's hierarchy of needs. Paradoxically, this may lead, in our opinion, to increased popularity of certain forms of consumer loan. A good illustration of this point are deferred payment offers, a true peculiarity of today's consumer market, in which non-bank lending institutions are leading the way. This is not a product the use of which implies the difficult financial situation of households; in my opinion, taking into account the profile of a typical client and a typical transaction, it is rather a tool for managing one's own finances consciously. Naturally, we are fully aware of risks and potential traps related to the take-up of deferred payments, also in the light of temptations to which consumers are exposed by the current market, as we could have seen even in recent days in connection with the so-called Black Friday. For this reason, we believe that the product should be treated strictly as consumer credit and fall subject to any requirements related to this classification. Changes to the EU law, which following the implementation of the CCD2 will become our domestic law, go into this direction. Moreover, together with my colleagues from the Banking Supervision Division, we strive for enforcing identical strict rules for offering and reporting on deferred payments, irrespective of jurisdictional and regulatory status of a lender. I would like the entities operating in the Polish market as part of their cross-border activities to display a similarly responsible approach to lending money to Polish consumers as Polish BNPL leaders, who developed certain standards in our market that now should be followed by others.

8. From the perspective of nearly two years of supervision of the non-bank lending market, I can say that the market is developing in a healthy and balanced manner. I am speaking mainly about those entities whose scale of business accounts for the prevailing share of the market's turnover. Obviously, we also have the opposite side of the market spectrum, but today, taking into account the Consumer Finance Congress format, I would not like to focus on them, as in that case we are facing completely different challenges.
9. Anyway, with almost two years of practical experience, I can say that the revolution and evolution in the non-bank lending market related to the beginning of supervision are behind us. We are now focusing on ongoing supervisory work, and on, well, what I can say? Business as usual. There are further challenges ahead of us; certainly, in the first place, those related to the new provisions of the Act on consumer credit.
10. What we need to do now is to look into the future, make predictions and plan next steps. A year ago, standing in the same place, I told you I had ambitious plans for 2025. I said that I would like to use supervisory experience and the work on the CCD2 to improve regulations concerning the non-bank lending market, so that these regulations would offer tools to exercise the mandate effectively. I did as I had said. For this reason, standing here after a year, I would like to communicate the *status quo* of our legislative initiatives from the last 12 months.
11. And yes, in particular, I can proudly say that together with comments to the draft act implementing the CCD2, we submitted to the Office of Competition and Consumer Protection a set of supervisory regulations regarding non-bank lending institutions,

developed by the UKNF. The idea of the so-called anti-usury act aimed to put an end to the procedure of lending money, colloquially speaking, 'on the street', from hand to hand, with advantage being taken of a difficult situation of the borrower, for a usury interest rate, which is subject to a criminal norm. The act was designed, above all, to ensure consumer supervision. Today we know that the crimes of usury that attracted a lot of media attention were not committed by non-bank lending institutions but by other entities, which had not been entered in the Register of Non-bank Lending Institutions before 2024 and did not fall under KNF supervision in 2024. Undoubtedly, however, the so-called anti-usury act played an important role for the market. It made it possible to clearly distinguish between the non-bank lending market, being a new segment of the supervised market, from the area of business with bad press, operating on the edge of the law or beyond its limits. The former is subject to our supervisory activity, the latter is a matter of our cooperation with other state institutions, in particular law enforcement authorities.

12. Today we know, however, that separating the non-bank lending market from usury is not the only challenge. Being richer in experience, we know that there are also problems lying elsewhere. Apart from the consumer question considered by the legislator, there are issues related to, among others, organisational or ownership structures of non-bank lending institutions or their financing models. And this a crux of the matter, which brings us to the proposed changes in the area of licences for non-bank lending institutions.
13. The currently existing entry in the register of non-bank lending institutions does not provide for the possibility for the UKNF to verify tailored criteria for authorisation to operate in the market, which is particularly important in the current geopolitical situation. We want to analyse professional preparation for the functioning in the regulated market before an entity is authorised to operate in the market. We want to make sure that each entity admitted to the regulated market guarantees transparency of its activities. I also mean here transparency in terms of ownership structure, persons who actually manage a non-bank lending institution, their expertise, and sources of financing the non-bank lending activities. It is my goal to ensure, from the outset, the guarantee of proper performance by an entity willing to conduct business in the consumer credit market, not only in terms of providing services to clients in the market but also in terms of collecting and processing their data.
14. Whether we will be able to move forward with the changes in question together with the implementation of the CCD2 does not depend on us, because the KNF does not have legislative initiative. We will try. If we do not succeed within this process, we will try within another one, because it is necessary to take action. The idea of introducing licences for non-bank lending business is important from supervisory perspective and also for entities already functioning in the market. The aim of such licences is to improve and strengthen the image of non-bank lending institutions and move on to another stage of the market's professionalisation. I know from working meetings with representatives of the market that institutions already present in the market and engaged in building its brand and professionalisation are ardent supporters of the proposed changes. Still, I must say that the process of obtaining licences would also include re-authorisation, which means that not only new entities but also entities already operating in the market would need to adjust to professional standards.
15. I am looking shyly at the President of UOKiK as we have recently discussed the issue of licences, and we presented arguments why it is important but we have no feedback yet if there is room for introducing licences in the Act on consumer credit. I must admit that the subject is worth considering.

16. At this point, I would like to knock the argument out of the hands of those who cannot see the link between the proposed changes to licensing and the implementation of the CCD2. I want to strongly emphasise that our proposal stays within the framework of the CCD2 regulations and follows the spirit of transparency and market security. Let us remember that the role of the supervision authority is also to take care of competitiveness and the image of the market as a whole, and this is something guaranteed by licences. This is the logic behind the CCD2, in which the EU legislator recognises the diversity of the lending market across Member States, and at the same time points the way to the professionalisation of that market and to the improvement of its standards.
17. I would like to mention yet another of our legislative initiatives. It is in our interest to clarify a provision which puts a restriction on the financing of non-bank lending institutions' business with debt capital – a provision which entered into force on 18 December 2022 under the anti-usury act.
18. The provision in question sparked controversies from the very beginning due to its restrictive nature and due to a number of interpretative doubts arising from its general wording.
19. As we are analysing this topic, we can see the need to make the rules of financing for non-bank lending institutions more liberal, so that those entities could obtain funds, first and foremost, from professional participants in the financial market and from entities linked by capital or management. We have just proposed solutions that represent a compromise between liberalisation of the rules regulating the financing of non-bank lending institutions with debt capital and the restrictions imposed by EU legislation.
20. We have prepared a proposal for a new regulation in which the general prohibition on debt financing for non-bank lending institutions is retained, with the aim to protect retail investors, but at the same time a closed list of authorised sources of financing from professional investors with an appropriate level of risk awareness is available. The possible opening up (to a limited extent) of opportunities for financing the activities of non-bank lending institutions with debt capital is, at the same time, in line with deregulation efforts, oriented towards removing excessive barriers arising from overly restrictive regulations or towards eliminating uncertainty and legal risk arising from interpretative doubts. The proposed solutions have been already consulted with associations of non-bank lending institutions, which approved the suggested direction of changes.
21. As you can hear, it sounds like ordinary work and day-to-day supervision, but from the perspective of non-bank lending institutions a lot is going on ahead of the implementation of the CCD2. I think that the non-bank lending market generates a lot of activities to us and *vice versa*.
22. In the conclusion, I would like to emphasise that our common goal ahead of the implementation of the CCD2 remains the same – we strive for a consumer finance market that functions safely and develops continuously. We want to boost it in order to retain balance between consumer protection and support for domestic businesses, in particular in terms of their competitiveness against entities conducting cross-border activities.
23. What I would like to emphasise in particular is that Poland, in some aspects, significantly exceeded the requirements arising from the CCD2. I can mention here, for example, the introduction of supervision of non-bank lending institutions or the requirement to assess creditworthiness. This gives our market a large advantage; a great deal of work in this regard has already been done; non-bank lending institutions were forced to move to another level of professionalisation, even before the implementation of the CCD2. What has been done and what works should not be

wasted. What I mean is that the CCD2 should be implemented in a manner that allows us to retain what has been achieved so far. One should not intervene where it is not necessary and one should not distort what functions well, if not necessary.

24. As always on such occasions, I would like to invite you to talk to me during coffee breaks and share your thoughts. I am here today with my female colleagues from the Non-Bank Lending Institutions Department as we have not brought our only male colleague in the Department to this Conference today. Therefore, I encourage you to use their presence today as much as you can and discuss the matters that interest you as part of informal discussions.

Thank you.