



# Fostering *the* Financial Inclusion of Forcibly Displaced Persons from Ukraine in Poland

## IFC Market Study

Access to affordable and suitable financial services is critical for Forcibly Displaced Persons (FDPs) as it helps them to be more resilient, self-reliant, and protected, fostering better integration into host countries and improving their livelihoods. Using available financial instruments allows FDPs to perform daily transactions, send remittances to home countries, and save up money. This market study was solicited by International Finance Corporation (IFC), a member of the World Bank, and conducted by PwC Poland with the primary objective of analyzing the current supply and demand for financial and non-financial services among FDPs from Ukraine, currently living in Poland. The study also aims to identify enablers and barriers in the financial sector to provide services for FDPs from Ukraine, gaps in the available services and to provide initial recommendations for enhancing the financial inclusion of FDPs from Ukraine.

***"Data matters. Collecting and sharing data on forcibly displaced populations is key to convince the private sector that these individuals are important economic actors worth engaging with."***

**MICHEL BOTZUNG**  
IFC-UNHCR JOINT INITIATIVE

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## Overview

Since Russia's invasion of Ukraine in February 2022, around 1.9 million FDPs from Ukraine have crossed the Polish border and have not returned to Ukraine.<sup>1</sup> Of these, 95 percent are women,<sup>2</sup> 75 percent are adults.<sup>3</sup> A special law has granted them temporary residency permits, access to the labor market, entrepreneurship rights, family benefits, access to healthcare, and enrollment for their children in public schools and pre-schools, among other benefits. According to the Ministry of Family and Social Policy, many FDPs are economically active in Poland and 900,000 have found employment;<sup>4</sup> current study corroborates these figures. Moreover, Ukrainian individuals established 20,000 new companies in 2022,<sup>5</sup> up from 7,117 in the previous year, which suggests that the dynamic was accelerated by FDPs. Engaging in economic activities, whether through employment or entrepreneurship, enables FDPs to apply for a more permanent residence permit, called the Karta Pobytu. Currently, 570,000 FDPs, or 40 percent of the total FDP population from Ukraine, rent accommodation independently;<sup>6</sup> due to the existing challenges in the housing market, such as high prices and limited affordable housing options, financially stable FDPs are contemplating property purchases.

In March 2022, the Financial Ombudsman reached out to banks, lending institutions, insurance companies

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<sup>1</sup> The Polish Border Guard, 16.02.2023 <https://shorturl.at/C0bhy>

<sup>2</sup> UNHCR, August 2022 <https://shorturl.at/V17Fj>

<sup>3</sup> Source: The Ministry of the Interior and Administration

<sup>4</sup> Source: <https://shorturl.at/hARSq>

<sup>5</sup> Source: Polski Instytut Ekonomiczny <https://shorturl.at/tQFz7>

<sup>6</sup> Source: own research, a mixed-mode survey among 400 FDP, held in January and February 2023

and entities representing financial institutions operating in Poland and issued directives for best practices in the context of the influx of refugees from Ukraine. Following the guidance, all retail banks in Poland have extended their basic services to all Ukrainian FDPs, including opening current accounts, money transfers, cross-border remittances, safe storage of cash, access to mobile bank applications, etc. To accommodate the needs of FDPs, these services are made available even to those lacking international documentation. Holders of Ukrainian internal passports can open temporary simplified accounts and later provide a biometric document, issued by the Embassy of Ukraine in Poland.

During their first months in Poland, FDPs from Ukraine opened more than half a million current accounts, with 90 percent of bank customers actively opting for cards and mobile banking. As initially these accounts were used to receive welfare financial assistance from the authorities and ATM withdrawals, the banks presumed that most of them would soon be closed or become inactive. However, as of mid-2023, banks in Poland noted that the share of active accounts opened by Ukrainian customers is comparable to that of Polish customers. New accounts opened by Ukrainian customers make up more than 60 percent of those at PKO BP. A similar percentage is seen at Pekao and Santander. By the fall of 2023, FDPs from Ukraine formed a sizeable new client segment which might require banks to adjust their information and credit systems to be able to identify such customers and run client segmentation, track and analyze their financial behavior patterns, review credit-scoring mechanisms, tailor the existing product offer, as well as develop targeted marketing campaigns, diversify delivery channels, etc. The study assesses that the total market size is 1,425,000 persons (adult FDPs from Ukraine remaining in Poland); the study also assesses that more than 400,000 FDPs from Ukraine can meet the most common eligibility criteria to obtain credit services.

While the banking sector proactively developed a number of solutions to facilitate access to finance for FDPs from Ukraine, some of the constraints and

barriers when accessing financial and non-financial services persist. Banks still have problems with the verification of the identity of FDPs from Ukraine without international documents. Banks underutilize the available information from the UA Access BIK<sup>7</sup> which allows them to confirm the credibility of a Ukrainian client through credit history data exchange with Ukrainian credit bureaus. The study highlights problems with access to simple and clear information about banking services in the Ukrainian language. Because most banks websites, application documents and mobile apps are only partially translated into Ukrainian, customers find navigation confusing and challenging, thus restricting their access to other services. The study suggests that banks that offer non-financial services to FDPs from Ukraine are likely to benefit from the acquisition of new clients and a deeper engagement with existing clients among Ukraine's FDP population.

Between the start of Russia's invasion of Ukraine and the end of June 2023, Ukrainians registered a total of 29,400 sole proprietorship businesses in Poland.<sup>8</sup> Improving access to credit for Ukrainian entrepreneurs and SMEs, as well as increased awareness about financial assistance for start-ups such as grants and subsidies can encourage FDPs to open businesses, thus bettering their long-term integration and financial self-sufficiency.

The study also identifies some opportunities for the booming fintech sector in Poland. Whereas none of them currently focus on providing services for FDPs from Ukraine, they have significant potential to enhance access to financial services for FDPs.

### **The study's approach**

This study was conducted between November 2022 and February 2023 to assess the financial and non-financial needs of FDPs from Ukraine who arrived in Poland after 24 February 2022, and are currently residing in Poland. The study also sought to identify gaps between demand and supply using the following mix of methods:

<sup>7</sup> <https://www.bik.pl/wsparcie-ukraina>

<sup>8</sup> <https://shorturl.at/6Byro>

## Methodology

We have analyzed and created recommendations for both FSPs and IFC, considering the following categories:

- **Supply Side:** Assessment of Enablers and Barriers for FSPs along with an evaluation of the Supply Gap.
- **Demand Side:** Analysis of Segments and Market Potential among FDPs from Ukraine. This includes insights into needs and pain points through personas and customer journeys.
- **Enabling Environment:** Examination of Regulatory and Policy Frameworks in Poland.
- **Business Opportunity:** Recommendations for FSPs and IFC to create opportunities.

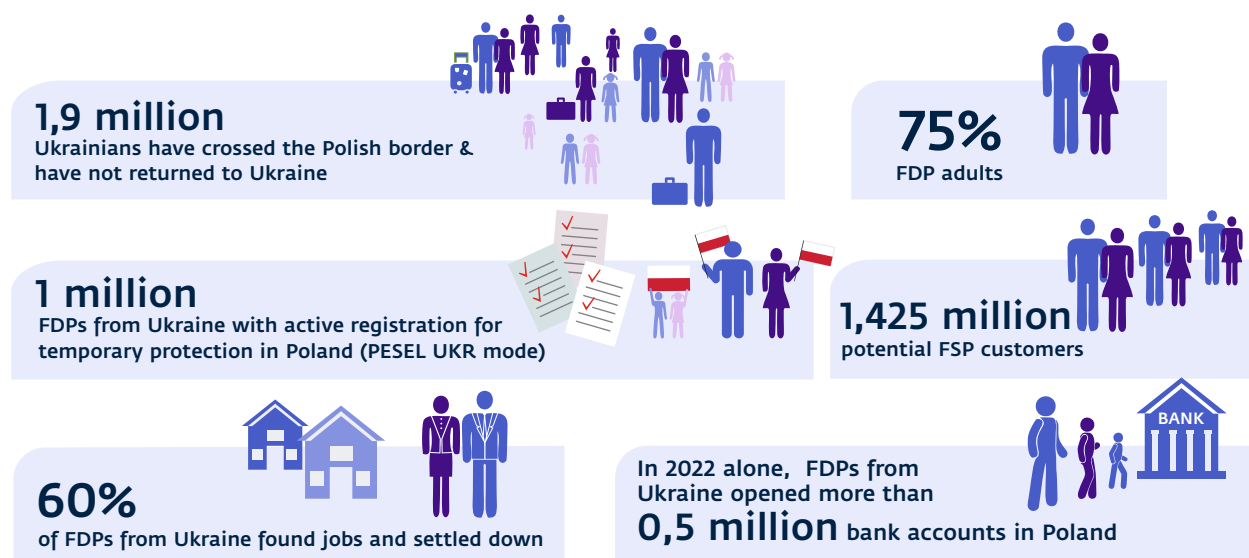
To address these aspects comprehensively, we employed a combination of research methods and data sources to analyze and devise recommendations for both FSPs and IFC:

- **Quantitative surveys** (400 respondents among FDPs from Poland) focusing on

profession, income level and sources of income, utilization of financial services in Ukraine and Poland, and financial as well as non-financial needs.

- **Qualitative semi-structured interviews** (15 interviews with FDPs from Ukraine) aimed at understanding the financial and professional circumstances of FDPs in Poland. The results informed the exploration of FDP characteristics, behaviors, and perceptions towards financial services in the host country.
- **Interviews with leading FSPs in Poland** (15 interviews with FSPs) to identify incentives and key areas of interest for FSPs to cater to FDPs while also identifying barriers that hinder FSPs from serving FDPs effectively.

To deliver impactful and user-oriented recommendations to FSPs, our approach was guided by human-centered design principles, following the Double Diamond 1 model for design thinking.



To gather qualitative data, the team conducted a desk study about the enabling environment, as well as initial market sizing and segmentation. Discussions on more complex issues such as double taxation and migration law were held with professionals from PwC and experts from other organizations, including NGOs. Interviews were then conducted with:

- Organizations working with FDPs: Ukraiński Dom, Diia.Business Warsaw, Związek Przedsiębiorców Pracodawców, Dom Matki, Polish-Ukrainian Chamber of Commerce, a local volunteer working with the FDP community;
- Fifteen FDPs;
- Buro Informacji Kredytowej (BIK), or the Polish Credit Information Bureau;
- The Polish Banking Association.

Additionally, several surveys within banks and credit unions were conducted:

- 4 surveys among banks;
- 7 interviews with the representatives of commercial banks;
- 2 interviews and a survey among SKOKs (Cooperative Savings and Credit Union);
- 6 interviews with lending companies, the Polish Banks Association, BIK (Credit Information Bureau).

The surveys of the banks and qualitative interviews with financial service providers helped assess the supply side, i.e. the current availability of financial services for FDPs from Ukraine in Poland – the range of financial products and services available, including banking, credit facilities, remittance services, and insurance. It provided insights into understanding the eligibility criteria, such as documentation requirements for FDPs from Ukraine, and identifying the financial institutions, including banks, microfinance entities, and NGOs that cater to this demographic. Fees, interest rates, and the overall cost of accessing these services were also analyzed.

The data collected facilitated the formulation of questions for the quantitative survey, conducted between January and February 2023, involving 400 FDPs. The results were cross-analyzed and served as a

foundation for market segmentation. Following this analysis, FDP groups with greater market potential were identified, along with their corresponding needs for financial and non-financial services.

A comprehensive examination of the findings from the desk study, in-depth interviews, qualitative and quantitative surveys, and market segmentation enabled us to develop recommendations for the financial sector. These recommendations are aimed at advancing the financial inclusion of Ukrainian FDPs in Poland.

## Who are FDPs? A brief description of a group

The largest wave of migration took place towards the end of February, in March and April 2022. Since Russia's invasion of Ukraine in February 2022, around 1.9 million Ukrainian FDPs have crossed the Polish border and have not returned to Ukraine.<sup>9</sup> Currently, the majority of FDPs have resided in Poland for about a year and a half. As men aged 18 to 60 are restricted from leaving Ukraine, women make up 95 percent of adult FDPs.<sup>10</sup> Three-quarters are adults.<sup>11</sup> The survey reveals that more than 56 percent of FDPs have a university degree, while an additional 13 percent are in the process of obtaining a university diploma.

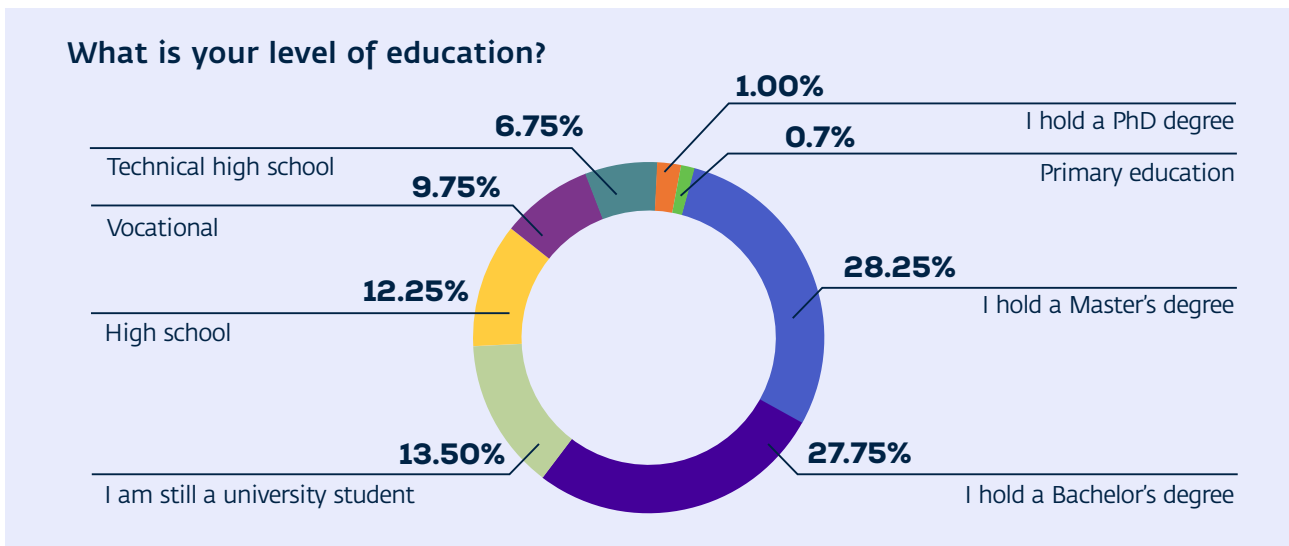
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<sup>9</sup> The Polish Border Guard, 16.02.2023 <https://shorturl.at/H3Zf1>

<sup>10</sup> UNHCR, August 2022 <https://shorturl.at/dReIP>

<sup>11</sup> Source: The Ministry of the Interior and Administration

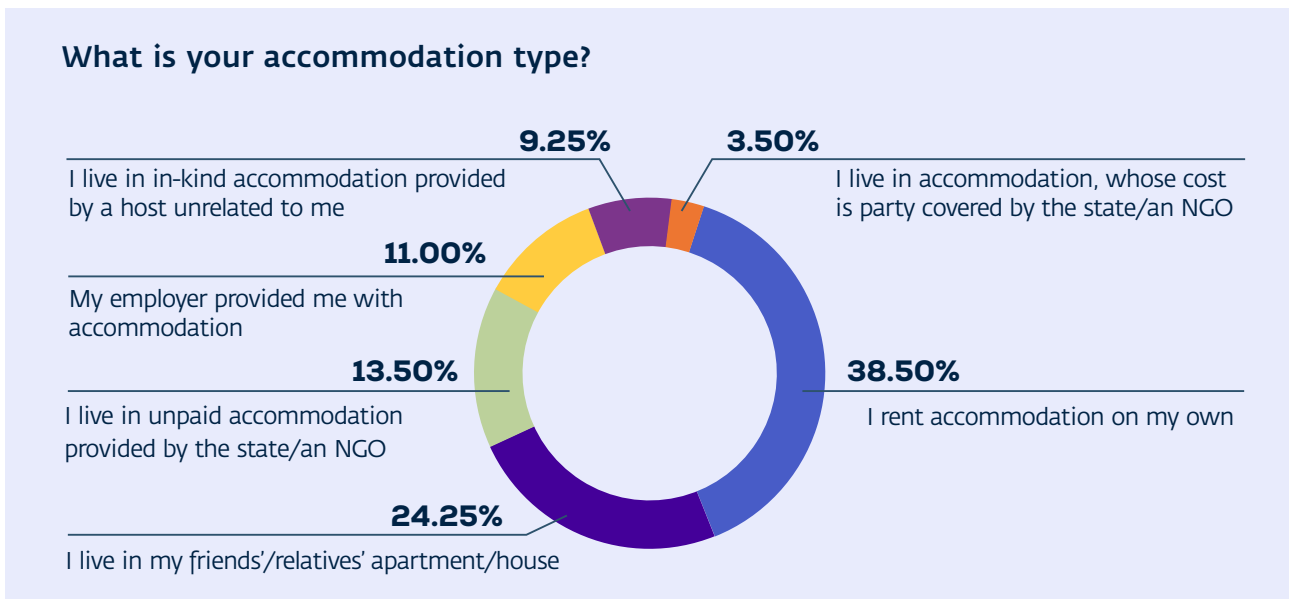
**Figure 1: The distribution of answers to the question “What is your level of education?”**



Of the respondents in the quantitative survey, 62 percent receive financial support from their partners or other family members; more than 63 percent have at least one child, and 43 percent

support other dependents. Nearly 40 percent of those surveyed indicated that they rent accommodation on their own while a significant 24 percent of FDPs stay with friends or relatives.

**Figure 2: The distribution of answers to the question “What is your accommodation type?”**



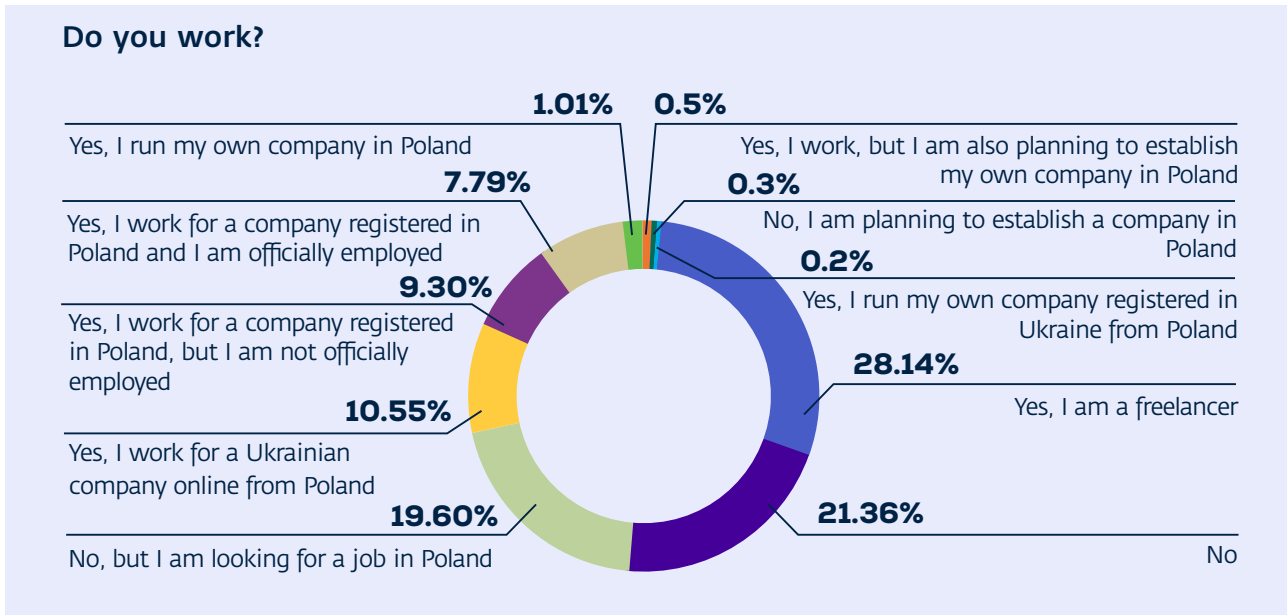
Based on the findings of the study, more than 60 percent of early Ukrainian FDPs found jobs and settled in Poland. This accounts for around 900,000 FDPs, a figure which has been confirmed by the Ministry of Family and Social Policy.<sup>12</sup> FDPs secured employment in

various sectors in Poland – with 29 percent in the hotel and catering industry, 18 percent in services, 14 percent in production, 11 percent in trade, and with 7 percent in both agriculture and logistics.<sup>13</sup>

<sup>12</sup> <https://shorturl.at/mhkNC>

<sup>13</sup> <https://shorturl.at/7qgFL>

**Figure 3: The distribution of answers to the question of “Do you work?”**



## Legal status of FDPs from Ukraine in Poland

### Special law and UKR mode

In March 2022, the Polish government enacted a special law to extend Ukrainian FDPs temporary access to a range of privileges including access to the labor market, healthcare, business opportunities, social benefits, legal residence and more. In April 2023, this temporary protection was extended until 4 March 2024.

To qualify for temporary protection, an individual who is a citizen of Ukraine (or the spouse of a Ukrainian citizen of a different nationality) must have crossed the border directly from Ukraine to Poland on or after 24 February 2022 and not possess:

- A permanent residence permit
- A temporary residence permit
- A long-term residence permit from the European Union
- Refugee status
- Subsidiary protection
- A permit for tolerated stay

- Or has not applied for international protection

Such individuals should apply for a PESEL (Universal Electronic System for Registration of the Population) number in the UKR mode.

PESEL serves as the fundamental identification number for administrative, healthcare and taxation purposes for individuals residing in Poland. UKR mode entails the allocation of a dedicated PESEL number for FDPs from Ukraine, which provides the following advantages:

- Legal residence in Poland
- Digital access to public services
- Access to social welfare, including accommodation, food, essential transport, etc
- Access to the labor market, including right to employment and the establishment of a business in Poland
- Free access to schools and pre-school for children
- Registration as an unemployed person or a person actively seeking employment
- Eligibility for family, social and welfare benefits (300+, 500+ programs)
- Free access to the Polish healthcare system along with free psychological support

- The right to work in specific medical roles, educational institutions like schools, universities and study institutes, as well as the right to study at universities under special conditions

Initially, FDPs from Ukraine with their PESEL assigned in the UKR mode were unable to apply for a Karta Pobytu, an official permanent residence permit card that grants the right to stay in Poland for a specified validity period (1-3 years). The Polish government wanted to alleviate the administrative burden, which had significantly increased due to the sudden influx of refugees from Ukraine. It was assumed that since the UKR status alone temporarily grants all necessary rights, it was unnecessary to apply for an additional physical document.

The absence of a physical document, however, presented challenges for FDPs. Travelling beyond the EU was problematic, and they could not plan to make their stay in Poland permanent as the UKR mode only granted rights for the duration of the war. Additionally, FDPs were also excluded from some services – including some financial services. Consequentially, some FDPs opted to legalize their stay in Poland through different means.

As of April 2023, the problem has been resolved. FDPs with a PESEL assigned in the UKR mode, who are employed or operate a business in Poland, can now apply for a Karta Pobytu and receive an official permanent residence permit card for 1-3 years.

The temporary protection mechanism for some categories of FDPs from Ukraine, implemented by the EU Council's decision in March 2022 initially for one year, was recently extended until 4 March 2025. As a result, the validity of the certificates of temporary protection issued so far, will also be extended alike.

Access to finance for refugees from Ukraine in Poland is significantly facilitated through the PESEL UKR and the Karta Pobytu, which serve as crucial personal identifiers for integrating into the financial ecosystem. The PESEL UKR, a unique identification number assigned to Ukrainian nationals, alongside the Karta Pobytu, a residency card, enables refugees to open bank accounts, apply for loans, and access a range of financial services designed to support their settlement and integration process. These identifiers not only streamline the identity verification procedures but also ensure that refugees from Ukraine can engage with the Polish financial system securely and efficiently.



## Entrepreneurship

FDPs holding PESEL UKR status can establish companies under the same terms as Polish citizens.<sup>14</sup> To become a sole trader, a lack of business address is not a barrier to running a business.

In May 2022, Diia.Business Warsaw<sup>15</sup> was founded to support Ukrainian business and foster closer Polish-Ukrainian ties. The initiative is designed not only for experienced entrepreneurs but also for individuals who want to start their own businesses. Diia.Business

<sup>14</sup> Act of March 12, 2022, on assistance to Ukrainian citizens in connection with an armed conflict in the territory of that state, as amended

<sup>15</sup> <https://diia-business-warsaw.com/>



Warsaw offers Ukrainian citizens consultations and guidance in setting up and running their own businesses, as well as living and working in Poland. The assistance is free of charge.

Around 20,000 companies were registered by Ukrainians in 2022, encompassing an estimated 15,000-16,000 sole traders and 4,000 partnerships with Ukrainian participation. This is up from 7,117 in the previous year, which suggests that the dynamic was accelerated by FDPs. A significant 66 percent have said that they will continue to develop their economic activity in Poland irrespective of the situation in Ukraine.<sup>16</sup>

Between the start of Russia's invasion of Ukraine and the end of June 2023, Ukrainians registered a total of 29,400 sole proprietorship businesses in Poland.<sup>17</sup> In 2023 alone, Ukrainians established 10 percent of new sole proprietorship businesses in Poland.

Ukrainians primarily operate businesses in the construction works sector (24 percent), communication (16 percent), other services (14 percent), trade (9 percent), transportation and stock management (7 percent), as well as industrial processing (7 percent).<sup>18</sup>

## FDPs in the financial sector

### Regulatory framework and initial response

In March 2022, the Financial Ombudsman reached out to banks, lending institutions, insurance companies and entities representing financial institutions operating in Poland and issued directives for best practices in the context of the influx of refugees from Ukraine.<sup>19</sup> Banks and credit unions were mandated to allow FDPs to open current accounts, even if clients could not present an international passport or other

document officially recognized in Poland. Following the guidance, all retail banks in Poland have extended their basic services to all FDPs from Ukraine, including opening current accounts, money transfers, cross-border remittances, safe storage of cash, access to mobile bank applications, etc.

Addressing the financial market entities, the Financial Ombudsman presented proposals that are intended to make it easier for refugees to use the products and services offered on the Polish market. For many refugees, using a Polish bank account or insurance may be necessary to take up work and regain at least some sense of security or even everyday life in Poland.

The Financial Ombudsman's guidance to financial service providers included:

- ensuring customer service is also in Ukrainian, including hotline services by consultants speaking Ukrainian, as well as introducing this language into automatic customer service systems and multilingual versions of contract documentation;
- simplification of procedures required to open a payment account, including taking advantage of the offer of a free basic account or temporary exemption from the costs of opening or servicing a payment account and the payment instruments issued for them (payment cards);
- adjusting the costs of consumer credit and loans (in particular the amount of APR and commission) to the difficult financial situation of refugees from Ukraine;
- banks should consider temporarily waiving fees for executing payment transactions to beneficiaries based in Ukraine, regardless of the amount and currency of the transaction. Alternatively, the automatic refund of fees for transfers made from Poland to Ukraine and from Ukraine to Poland;
- creation of insurance packages designed for refugees from Ukraine;
- providing applications and templates, as well as handling correspondence and complaints also in Ukrainian;
- special information marking of branches where customer service in Ukrainian will be available;
- coordination of activities related to the implementation of demands and promotion of good

<sup>16</sup> Source: Polski Instytut Ekonomiczny: <https://shorturl.at/2IH17> and <https://shorturl.at/KmrCE>

<sup>17</sup> <https://shorturl.at/Lmlqo>

<sup>18</sup> Ibidm.

<sup>19</sup> Financial Ombudsman's stance, 18 March 2022 <https://shorturl.at/DjW69>

practices by industry associations among its member companies and joint development of new solutions and good practices.

Some FDPs arrived in Poland only with their internal Ukrainian passports (Український внутрішній паспорт) that have not been internationally certified. In most cases, the documents are issued only in Cyrillic script and are thus impossible to enter into the Polish document registration system. A few hundred FDPs from Ukraine came to Poland with no identification documents at all. To accommodate such clients, the Polish Banking Supervisory Authority (KNF) mandated banks to open temporary simplified accounts. In such instances, FDPs are supposed to have an international passport issued by the Embassy of Ukraine in Poland. Upon submission of the international passport to the bank, the account becomes a standard current account. While a simplified account is free of charge, it does come with major limitations: the monthly inflow into the account cannot exceed 1,000 EUR or 5,000 PLN, and the missing documents must be provided within six months from the time when the account was opened.

The issuance of a large number of international passports posed difficulties for the Ukrainian Embassy in Poland, and many individuals failed to meet the deadline of six months to present an internationally recognized document and were on the verge of losing access to their temporary accounts. In response, the Polish Banking Association (ZBP), reported that banks had extended the deadline by an additional six months.<sup>20</sup> Additionally, banks and credit unions were encouraged to offer essential information, such as hotlines, websites, and customer service information at branches, in the Ukrainian language.

As advised, Polish financial institutions undertook a number of initiatives to facilitate access to finance for FDPs from Ukraine, such as:

- simplified procedures applied by some banks for customers of Ukrainian nationality related to the opening of an account;
- applied exemption from fees for its service and for payment cards or for withdrawals from ATMs;

<sup>20</sup> Information obtained during the interview

<sup>21</sup> Economic Empowerment of Forcibly Displaced Persons from Ukraine <https://shorturl.at/CKYvq>

- abolished fees on foreign transfers to Ukraine;
- prepared Ukrainian language version of their websites and document templates in a desired language (mostly Ukrainian, Russian and English) and established a helpline in Ukrainian;
- acted as an intermediary in the distribution of funds intended for FDPs from Ukraine, including encouraging the use of electronic banking services, mobile applications and – after obtaining a PESEL number beforehand – enabled the creation of a trusted profile, which gives access to aid funds, both from domestic sources, i.e., 500+ program funds, EU and those transferred by other countries or other institutions like the UNHCR.<sup>21</sup>

A year after Russia's invasion to Ukraine, it is still possible to open a temporary account through a simplified procedure and provide relevant internationally recognized documents within six months. Other accommodations and special offers remain in place.

## The financial sector's response and the current use of services

### Example of Alior Bank

As part of a special offer addressed to Ukrainian citizens, Alior Bank will not charge fees for maintaining an account and a payment (debit) card for a period of 12 months. Citizens of Ukraine who decide to open the "Konto Jakze Osobiste" account may include, among the available benefits, free withdrawals from ATMs in Poland and abroad. Holders of the "Internet Account" also have the opportunity to take advantage of free withdrawals from ATMs located in branches and partner outlets of Alior Bank. In turn, at Euronet ATMs, withdrawals are free of charge from a withdrawal amount of PLN 100. The bank does not charge service and debit card fees for 12 months. At the same time, the bank offers a number of additional options,

The offer addressed to business customers

also includes exemption from fees for transfers made from company accounts to Ukraine. Alior Bank's currency exchange office has also prepared an offer on special conditions for the purchase and sale of EUR and USD currencies for PLN at the best available exchange rates at the interbank level. The offer is only available to Ukrainian citizens and is valid until further notice.

For easier communication, Alior Bank's website, mobile application - Alior Mobile and online banking - Alior Online have been translated into Ukrainian.

For standard bank accounts, almost all banks offer FDPs from Ukraine free debit card services, ATM withdrawals both in Poland and internationally, and foreign currency transactions for at least a year. In some instances, clients may need to provide additional documents to prove they came to Poland after 23 February 2022 to receive preferential terms.

Alior Bank has developed the OK! credit card, solely for FDP clients from Ukraine, with a reduced interest rate: an annual percentage rate (APR) of 19.34 percent as opposed to the standard rate of 24.84 percent.<sup>22</sup>

Several banks also offer preferential terms to FDP entrepreneurs. Pekao S.A., for example, has waived account, card and cash handling fees for entrepreneurs from Ukraine, regardless of the size of their companies.<sup>23</sup>

#### Example of Santander Bank Polska

<https://www.santander.pl/uk/ukraina-oferta>

In response to the invasion crisis in Ukraine, Santander Bank has taken a significant step to support Ukrainian refugees by waiving fees for both incoming and outgoing transfers linked to

Ukraine. This initiative encompasses refunds on transaction fees incurred through the bank for any money movements made either to or from Ukrainian banks – identified by the SWIFT code "UA" – across accounts specifically designated for refugees. These accounts include the Refugee Account and the Konto Santander Account, which are part of the bank's refugee assistance program.

The waiver applies to transactions conducted from 1 May 2023, through 30 April 2024, ensuring a comprehensive support window during this challenging period. Santander Bank has committed to refunding these fees within 14 business days, covering a wide range of transaction types including regular, urgent, and express transfers, without limitation on the currency or the commission type.

During their first months in Poland, FDPs from Ukraine opened more than half a million current accounts, with reported 90 percent of bank customers actively opting for cards and mobile banking. As these accounts were initially used to receive welfare financial assistance from the authorities and ATM withdrawals, the banks presumed that most of them would soon be closed or become inactive. However, as of mid-2023, banks in Poland noted that the share of active accounts opened by customers from Ukraine is comparable to that of Polish customers. New accounts opened by customers from Ukraine make up more than 60 percent of those at PKO BP. A similar percentage is seen at Pekao and Santander.<sup>24</sup>

Ukrainians are also more likely to use cards – with as many as 90 percent of them opting for a card when opening an account at Pekao.<sup>25</sup> In contrast, this percentage stands at 83 percent for Poles.<sup>26</sup> According to the Polish Credit Information Bureau (BIK), debts owed to Polish banks by Ukrainians reached 6.3 billion

<sup>22</sup> As of 15.06.2023 <https://shorturl.at/zOaUW>  
<https://shorturl.at/N5fc7>

<sup>23</sup> Information obtained during the interview

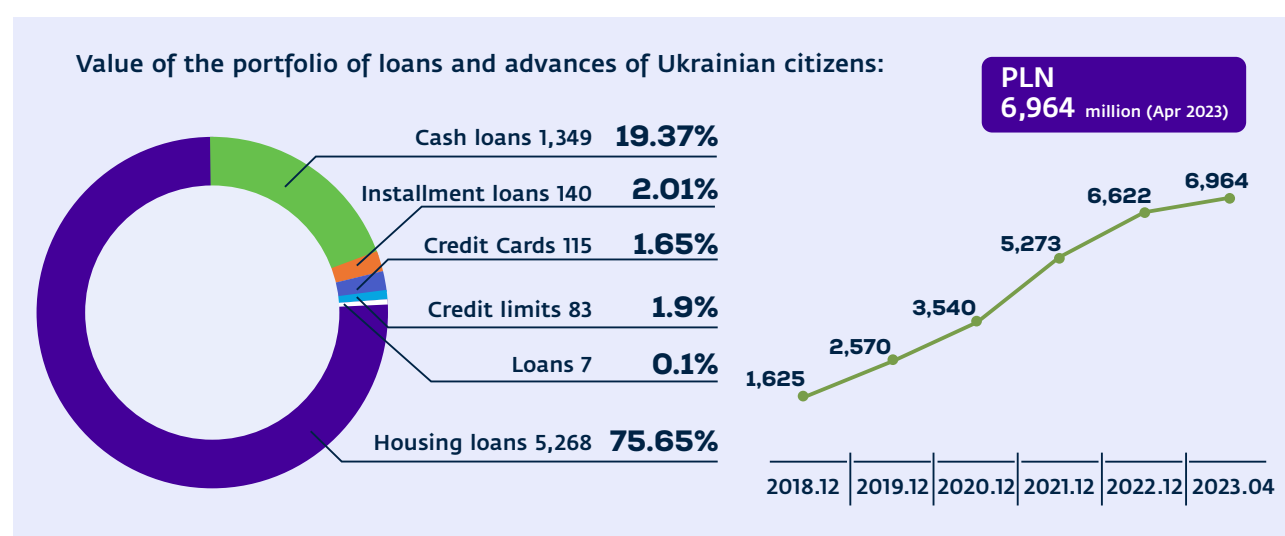
<sup>24</sup> Puls Biznesu, 13 November 2022

<sup>25</sup> *ibid.*

<sup>26</sup> *ibid.*

PLN by the end of September 2022, with the vast majority originating from Ukrainian citizens who arrived prior to 24 February 2022. As of December 2022, however, Ukrainian citizens have secured 6.6 billion PLN in credits. The share of customers from Ukraine contributing to new sales has been growing noticeably in recent months which suggests that FDPs are driving new sales. BIK statistics show that in terms of value, mortgages account for the largest share of Ukrainian customers' portfolios.

**Figure 4: The value of credits and mortgages taken out by Ukrainians (both before and after 24 February 2022) in banks in Poland. Data source: BIK, April 2023**



## The Polish Credit Information Bureau's response

To encourage banks to include FDPs in their credit offers, Buuro Informacji Kredytowej (BIK), or the Polish Credit Information Bureau, has introduced the UA Access BIK.

This initiative provides banks, lending institutions and other entities with access to Ukrainian credit information bureaus and various sources of personal data. This service includes access to information on 25 million Ukrainian borrowers from 71 banks and more than 150 other financial institutions across Ukraine. BIK says that the solution can be used not only by banks and lending institutions for credit assessments and credit history checks, but also to confirm the identity of Ukrainian citizens. This feature allows employers to use UA Access BIK to gain deeper insights into their potential Ukrainian employees.

The UA Access BIK integrates multiple credit reference agencies ensuring that credit information from Polish banks is also shared with Ukrainian credit reference agencies. The system needs, therefore, to be implemented seamlessly into a bank's internal system to help operations when a customer from Ukraine applies for a loan.

Some banks offer credit services to FDPs from Ukraine without leveraging international credit histories (UA Access BIK): once FDPs engage in documented income-generating activities, they are eligible to apply for a loan. Other banks prefer to have a more comprehensive understanding of an individual's creditworthiness, which includes analyzing whether an individual has any existing credits with banks in Ukraine, and thus needs to access the UA Access BIK first.

BIK emphasizes that UA Access BIK is not a short-term

solution, given the influx of new people from Ukraine to Poland. This inflow is projected to continue, even when Russia's invasion of Ukraine ends.

## Market segmentation and the desired services by segment

The study identifies seven distinct segments within the FDP population from Ukraine, which comprises individuals fleeing Russia's invasion and currently residing in Poland. Four of the identified segments were prioritized as those with greater market potential based on the level of their integration and economic independence in Poland: stable homesick, wealthy families, independent mothers, and young professionals. The FDPs from these segments are likely to be eligible for credit services. Other segments such as those integrated with unstable income, new wave comers, and job seekers, are at different levels of economic integration and may present opportunities for engagement with various financial services providers.

### Stable homesick

Around 107,000 people; average 35 years old.

A highly adaptable group of newcomers with a relatively stable source of income who would like to return to Ukraine as soon as the situation permits. The Stable Homesick group, characterized by their desire to return to Ukraine post-war (63 percent express this intent), displays remarkable adaptability in Poland despite the recent arrival of nearly half of them. They possess a relatively high language proficiency, manage to secure their own housing, and have stable income sources, primarily from freelancing in IT and services, with income levels rising by about 10 percent since before the war. Predominantly women with partners in Ukraine and 63 percent having at least one child, they show a strong ambition for professional growth and a demand for educational services. While mostly using basic financial products, they face challenges with service application complexity and language barriers, expressing a need for mobile banking apps and

additional funds for essentials and family support in Ukraine. A majority also utilize Polish healthcare and are keen on furthering their language skills and professional capabilities through courses and studies.

### Wealthy families

Around 32,000 people; average 36 years old.

Well-integrated and prosperous families living in the major cities who use sophisticated financial and non-financial services. Wealthy families are the most integrated group of forcibly displaced people in Poland, having arrived by May 2022 with intentions to stay. This group comprises well-educated professionals, all with university degrees – 66 percent holding master's degrees – and employed in professional services or finance. They predominantly reside in major cities like Warsaw or Kraków and live with their relocated families, including at least one child. Despite using standard financial services like bank accounts, they seek more advanced financial products, including mortgages for home purchases, and express a need for advanced non-financial services related to wealth management, such as tax advice, accounting, and insurance. Their demand for mobile app access for managing these services aligns with other segments' preferences.

### Independent mothers

Around 146,000 people; average 35 years old.

Fairly established and integrated mothers who want to secure better long-term prospects for their families. Independent mothers in Poland, consisting of lone moms with partners in Ukraine or those single/widowed, arrived early in the war, with half considering a permanent stay in Poland. Economically stable and Polish-speaking, they are employed across various sectors, with 74 percent in official roles or freelancing, and most holding university degrees. They aim for professional and educational advancement, including language and programming courses. Facing the sole responsibility for their children, they seek financial products to support basic needs and their family in Ukraine and show interest in life insurance. Despite utilizing standard banking services, they

desire credit options and digital banking enhancements to better manage their financial needs and aspire for further educational opportunities to enhance their marketability and integration into Polish society.

## Young professionals

Around 110,000 people; average 31 years old.

Independent young people with a reliable source of income and very likely to stay in Poland.

Young professionals, arriving in Poland's first wave with plans to stay permanently, differ from independent mothers mainly by being younger, childless, and often single or with partners in Ukraine. Highly educated and employed in sectors like hospitality, retail, IT, and finance, they seek to advance professionally and are interested in settling in Poland, showing a demand for housing and educational services. They aim to use loans for buying homes or renting independently while supporting families in Ukraine. Unlike independent mothers, their financial needs include consumer credit for family support and housing, with a keen interest in managing finances through mobile apps, highlighting their digital proficiency and ambition for improved employment and stable living in Poland.

## Integrated with unstable income

Around 335,000 people; average 33 years old.

Ukrainian FDPs who arrived at the start of the Russian invasion with low-paid, unstable jobs or who are between jobs. The Integrated with Unstable Income segment consists of FDPs who arrived in Poland by April 2022, featuring two subgroups: those with irregular employment and limited economic stability, impacting their credit access, and those temporarily unemployed yet managing to secure housing. Predominantly, these individuals engage in non-official, online, or freelance work, often in low-paid sectors, and face challenges in accessing financial products due to undocumented income which is not recognized by banks. Approximately half rely on temporary housing solutions provided by friends, relatives, or free accommodations, with a majority being

women with partners in Ukraine or single individuals. Despite these challenges, their financial service needs remain basic, including bank accounts and money transfers, hindered by language barriers and a lack of information or digital access. Positioned in a "grey zone", they express a need for essential non-financial services like healthcare and insurance while aiming to enhance their professional skills through education and language courses.

## New wave incomers

Around 60,500 people; average 29 years old.

FDPs who have recently arrived in Poland, specifically since the end of 2022, and who are still trying to establish themselves in the country. Over time they may transition into other segments.

The Newcomers segment comprises FDPs who arrived in Poland in late 2022 or early 2023, primarily due to adverse conditions like a lack of utilities in Ukraine. They depend on accommodation provided by the state or NGOs, with none renting privately and having limited Polish language skills. Distinguished by a significant portion (35 percent) residing in rural areas away from major cities, this group is mostly unemployed (60 percent) or freelancing, and largely young, aged 18 to 25. They express a need for basic necessities and home appliances while showing a desire for professional growth through educational and language courses, alongside a need for life insurance. Entering the initial stages of financial inclusion, few use banking services, primarily for transactions with Ukraine, facing challenges such as language barriers and complex service applications. They show a demand for credit for basic items and communicate a preference for phone interactions with financial institutions. Additionally, their interest in language training, safety through life insurance, and long-term settlement options in Poland, like housing and job advice, indicates potential for future integration into other FDP segments.

## Job seekers

Around 178,000 people; average 34 years old.

A cluster of FDPs who came to Poland comparatively early – primarily in the first half of 2022 – and are yet to secure a job. Despite this, they assert their intent to seek employment or plan to establish a company in Poland. Job seekers, a segment of early-arriving displaced people in Poland, face economic instability with no current employment but aspirations for work or business setup, predominantly arriving in the first half of 2022 and inclined to stay post-war. Their living situations are often dependent on free accommodations from friends, relatives, or support organizations. Single or with partners in Ukraine, they navigate their challenges independently.

Like newer arrivals, job seekers' economic instability limits their use of financial services, though there is interest in banking and money transfers, with potential use of credit for independent living needs and essentials. They actively seek employment assistance and language training, also utilizing healthcare through temporary protection programs, indicating interest in further education and life insurance.

## Sub-segment: Unemployed

Around 270,000 people; average 33 years old.

A group that has not expressed any intention to seek employment or to align their future with that of Poland. The Unemployed group, well-integrated by their early arrival in Poland but economically disadvantaged, distinguishes themselves from job seekers by not pursuing employment. A majority (61 percent) await outcomes in Ukraine without plans to settle in Poland. Surprisingly, many among them still secure their own housing, possibly supported financially by families in Ukraine or living with relatives while in Poland. Their financial service usage is minimal, typically restricted to basic banking, with little demand for additional financial products. However, they show interest in bank accounts and credit cards, potentially for essential purchases or family support in Ukraine. Additionally, they express a need for life insurance, healthcare, language training, and housing services.

## Each segment has its own priorities when it comes to financial services and communication channels

Table 1: Demand for particular services and communication channels by segments

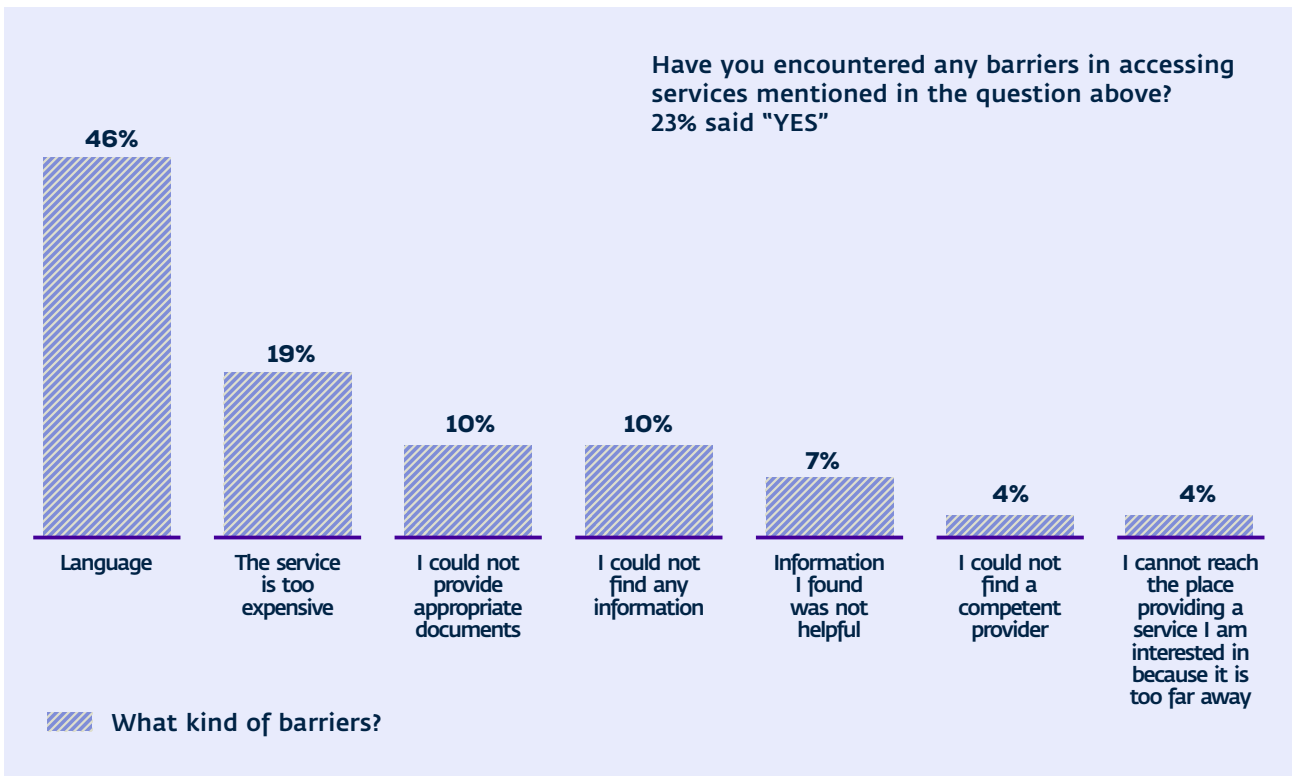
Segment	Desired financial services	Desired value-added services	Communication channels <sup>27</sup>
<b>New wave incomers (c. 57,000 people)</b>	Opening a bank account remotely; accessing their bank account in Ukrainian	Access to job offers; online Polish courses; life insurance	Telegram, a phone call, a mobile app
<b>Stable homesick (c. 107,000 people)</b>	Credit cards, consumer lending, short-term loans	Access to online classes for further education; legal advisory	Telegram, Viber, a mobile app
<b>Wealthy families (c. 32,000 people)</b>	Mortgage, term deposits, consumer lending, credit cards, prepaid cards	Access to essential services required for a mortgage loan (including preliminary verification and property valuation, as well as insurance coverage); access to housing market listings; guidance on tax and administrative processes; automobile insurance	Telegram, Viber, WhatsApp
<b>Independent mothers (c. 146,000 people)</b>	Credit cards, consumer lending	Access to online classes for further education; language courses; life insurance	a mobile app, a phone call, Telegram
<b>Integrated with unstable income (c. 502,000 people)</b>	Access to their bank account in Ukrainian with a set of value-added services	Access to online classes for further education; online Polish courses; life insurance	a mobile app, Telegram, Viber
<b>Young professionals (c. 110,000 people)</b>	Mortgage, credit cards, consumer lending	Access to services necessary for a mortgage loan (such as initial verification and valuation of real estate or insurance for it); access to housing market offers	a mobile app, Telegram, brick-and-mortar branch
<b>Job seekers and unemployed (c. 448,000 people)</b>	Accessing their bank account in Ukrainian with a set of value-added services	Access to job offers; online Polish courses; life insurance	A mobile app, Telegram, a phone call

<sup>27</sup> Most desired are listed first



According to our survey, a quarter of respondents encountered barriers when reaching the financial sector, mostly connected to language.

Figure 5: The distribution of answers to the questions "Have you encountered any barriers in accessing financial and non-financial services?" and "What kind of barriers?"



# 2

## Conclusions

As FDPs from Ukraine continue to stay in Poland and other host countries for a protracted period of time, their needs for financial and non-financial services continue to evolve and navigate towards those of the host population. During the initial displacement and first months upon arrival, FDPs from Ukraine were focused on securing finances for basic necessities such as food, housing, healthcare and clothing, thus access to basic financial services (current accounts, money transfers) was critical. As FDPs continue along the path of gradual integration into host countries, including getting employment, opening a business, supporting their families back at home, caring for the future of their children, and seeking more permanent accommodation, their financial needs will also change – they will strive to get better access to credit, mortgage, insurance, deposit and savings accounts – which will allow FDPs to be more financially independent and aspire for a better future for their families.

## **Substantial FDP Population from Ukraine:**

Since the onset of the conflict in Ukraine, a significant influx of Ukrainian FDPs into Poland has been observed, with approximately 1.9 million individuals crossing the border. Notably, a large proportion of these individuals are women and adults, many of whom have actively integrated into the Polish economy by securing employment or establishing businesses. The study assesses that the total market size is 1,425,000 (adult FDPs from Ukraine remaining in Poland); the study also estimates that over 400,000 FDPs from Ukraine can meet the most common eligibility criteria to obtain credit services.

## **Critical Importance of Financial Services:**

Access to affordable and suitable financial services is essential for FDPs from Ukraine in Poland. It supports their resilience, self-reliance, and integration into the host country, enabling them to perform daily transactions, send remittances, save money, and improve their livelihoods. Financial services have proven to be a cornerstone for FDPs in navigating their new environment, fostering economic independence and stability.

## **Market Segmentation:**

Detailed market segmentation reveals diverse needs among different groups of FDPs from Ukraine, ranging from stable, homesick individuals to new wave incomers and job seekers. Understanding these segments is crucial for developing targeted financial products and services.

## **Conducive Enabling Environment:**

Poland's government has promptly responded to the influx of FDPs from Ukraine by enacting special laws and providing guidance to the banking sector to ease the integration process for FDPs from Ukraine. These measures include temporary residency permits, access to the labor market and banking services.

## **Banking Sector Response:**

Following the guidance of the Financial Ombudsman, all retail banks in Poland have extended their basic services to all FDPs from Ukraine, including opening current accounts, money transfers, cross-border remittances, safe storage of cash, access to mobile bank applications, provision of information about available banking services and products in Ukrainian.

## **Banking and Financial Services Use:**

FDPs from Ukraine have shown a high engagement with banking services, including opening current accounts and the use of mobile banking solutions. This engagement underscores the necessity and reliance on financial services for daily operations, remittances, and financial security.

## **Remaining Barriers to Financial Inclusion:**

Despite proactive measures, challenges remain in fully integrating FDPs from Ukraine into the financial ecosystem. Issues such as identity verification, and limited access to credit, especially for businesses opened by FDPs from Ukraine, present areas for further improvement.

## **Opportunities for Financial and Non-Financial Services Enhancement:**

The study identifies significant opportunities for banks and fintech companies to enhance their offerings to meet the unique needs of FDPs from Ukraine. Tailored financial products, credit services, and non-financial support such as language and business training can facilitate deeper integration and financial independence.

# 3

## Recommendations

During the study, the gaps between the financial service needs of FDPs from Ukraine in Poland and the existing supply of these services within the Polish financial system were identified and analyzed. The study also highlighted key market opportunities for various entities within Poland's financial ecosystem. These recommendations aim to build on the successes achieved thus far in integrating FDPs from Ukraine into Poland's financial ecosystem while addressing the remaining challenges and barriers to ensure that FDPs can achieve financial stability and independence, contributing positively to the Polish economy. While the recommendations are primarily tailored to financial service providers, they might be useful for the broader range of entities in the financial system in Poland.

## **Expand financial product offers:**

The study assesses that more than 400,000 FDPs from Ukraine can meet the most common eligibility criteria to obtain certain credit services while the total market potential amounts to 1.4 million people. At this point, the banks can seek to adjust their information and credit systems to be able to identify such customers and run client segmentation, track and analyze their financial behavior patterns, review credit-scoring mechanisms, tailor the existing product offer, as well as develop targeted marketing campaigns, diversify delivery channels, etc. Banks could start implementing the above-mentioned changes to better understand and segment their customer base and refine their existing value proposition to these clients. The banks could also consider developing additional products and services to meet the varied needs of FDPs from Ukraine, focusing on accessibility, relevance, and usability to encourage uptake and engagement.

## **Identify internal barriers:**

Allocate resources to reduce known barriers, such as modifying information systems and aligning commercial incentives. It is important to conduct internal reviews to identify other hidden barriers, including unconscious biases, that may hinder serving this population.

## **Understand the market:**

In addition to learning about the characteristics of segments of FDP population from Ukraine, financial institutions should seek to unlearn the stereotypes that have emerged about this community. Open-mindedness and a willingness to change paradigms are key.

## **Enhance identity verification processes:**

To accommodate FDPs from Ukraine better, the identity verification process needs to be further streamlined

through the banks' acceptance of a wider range of identity documents and potentially the adoption of digital verification technologies. This approach could include partnerships with Ukrainian authorities and NGOs to ensure reliable verification, alongside offering multilingual support to overcome language barriers. Simplified procedures for vulnerable groups and robust data protection measures are also essential to ensure the accessibility and security of financial services for FDPs.

Leverage available alternative documents and data sources like the UA Access BIK for credit history checks, existing loans in Ukraine and identity verification. In the context of high uncertainty, financial service providers might perceive FDPs as a high-risk segment despite their defined legal status and employment. Access to credit history and information about loans in Ukraine might provide additional assurances. The UA Access BIK provides credit information for FDPs from Ukraine (with their consent), and this opportunity could be recommended for banks whose credit offerings have been limited for FDPs. Lending companies can also open up to FDPs, as clients can be identified by means of an international passport instead of a Polish ID, and additionally validated through the UA Access BIK.

## **Build FDP loyalty:**

Capitalize on the potential loyalty of the FDP population from Ukraine by being the first to include them in the financial system. By being the first to build trust with them, entities can develop long-term customer loyalty strategies.

## **Improve language and information accessibility:**

Provide comprehensive, concise, and easy-to-understand information on financial services available to FDPs from Ukraine through websites, mobile applications, helplines, call centers in the Ukrainian language and ensure user-friendly access across all digital platforms and physical branches.

## **Offer non-financial services to FDPs from Ukraine:**

The study suggests that banks that will offer non-financial services to FDPs from Ukraine are likely to benefit from the acquisition of new clients and deeper engagement with existing clients among the FDP population from Ukraine. The banks can strengthen the engagement with FDPs from Ukraine by providing services that help FDPs settle in Poland and help lift some administrative hurdles such as language classes, training on digital skills, or webinars on life insurance.

## **Support Ukrainian FDP entrepreneurs and SMEs:**

In the context of a continuously growing number of Ukrainian entrepreneurs,<sup>28</sup> banks can play a significant role by both opening up access to credit more actively and supporting Ukrainian FDP entrepreneurs and SMEs through networking and peer support programs, business and financial training, extension centers to advise on taxation, employment, legal aspects of opening and running a business in Poland, etc. Micro-finance entities can tap the entrepreneurial potential of the FDP population by offering microcredit.

## **Leverage fintech innovations:**

Encouraging fintech companies to focus on creating and providing services tailored to the specific requirements of FDPs from Ukraine presents a strategic opportunity to address and fill the gaps left by traditional banking systems. By leveraging innovative technology, fintechs have the unique capability to develop flexible, accessible, and user-friendly financial products that can significantly ease the challenges FDPs face in accessing financial services. This approach not only facilitates more

inclusive banking solutions but also enhances financial stability and independence for FDPs by offering them essential services such as digital payments, remittances, and personal finance management.

## **Collaborate with NGOs and Government bodies:**

To ensure FDPs from Ukraine receive coordinated support and access to financial services, it is critical to foster partnerships among financial institutions, NGOs, and government bodies. This collaborative effort starts with identifying key stakeholders from these sectors, particularly those involved in refugee support, financial regulation, and direct assistance to FDPs. Establishing effective communication channels, such as regular meetings or working groups, allows these organizations to share knowledge, set common objectives, and tackle challenges related to financial services for FDPs. The development of joint initiatives, such as financial literacy programs and streamlined banking processes, further leverages the collective strengths of the partners.

<sup>28</sup> Ukrainians registered close to 45,000 new businesses in Poland in 2022-2023 <https://shorturl.at/tt7Ys>

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## Acknowledgements

IFC extends gratitude to all the institutional and individual partners providing input in completing this market study.

PwC in Poland was represented by its Public Sector & Economics team: Dionizy Smoleń, PhD, Partner, PwC; Paweł Oleszczuk, PhD, Director, PwC; Julia Otwinowska, Senior Consultant, PwC; Maria Szurowska, Research Expert; Karol Stępień, Banking Expert.

Special thank you to IFC-UNHCR Joint Initiative for close and productive collaboration.

Photos are a courtesy of Armando Gallardo, International Finance Corporation (IFC).

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