

# Poland

## Mixed bank ownership

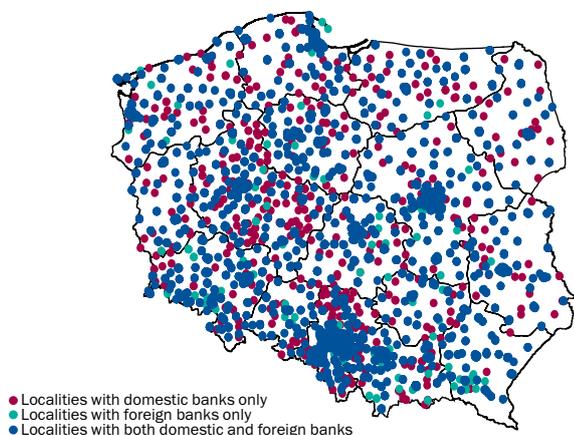
Poland is well-served by both domestic and foreign banks although, compared to various other Central European countries, there are more localities that are served only by domestic banks. Almost all banks report foreign-owned banks as strong competitors in retail, small and medium-sized enterprise (SME) and large enterprise lending. In line with this, 85 per cent of all foreign banks cite relationship lending as either “important” or “very important” when granting credit to SMEs and large enterprises.

Foreign-bank subsidiaries in Poland on average report a less strong parent bank influence than their regional counterparts in terms of corporate governance and particularly in risk management (Chart 2). However, financial linkages between parents and subsidiaries are strong. The majority of foreign-owned banks report that their parent banks set annual credit growth targets for them and that they rely more on their parents for financial support now than before the crisis.

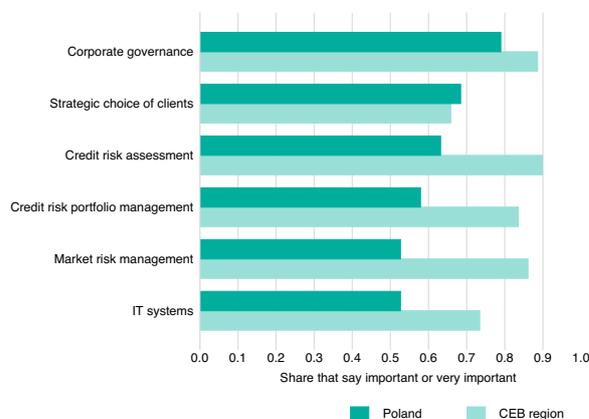
Polish banks are relatively critical about their regulators. The share of banks agreeing that direct instructions from the regulator over and beyond published laws present their bank with a significant burden is much higher than in the rest of Central Europe and has risen substantially since 2007 (Chart 3). Moreover, only a small share of Polish banks agree that the banking regulator is fair, impartial, quick and efficient. Poland also has the second largest share of banks (52 per cent) that think the capital requirements of the banking regulator are too high. This most likely reflects the 2009 recommendation by the Polish Financial Supervision Authority to hold an additional 2 per cent capital buffer.

Foreign-owned Polish banks were asked to rank the importance of various funding sources during a potential funding shortfall and their results stand out when compared to the rest of the region. International wholesale funding is considered to be of key importance while parent and customer funding is considered less relevant (Chart 4).

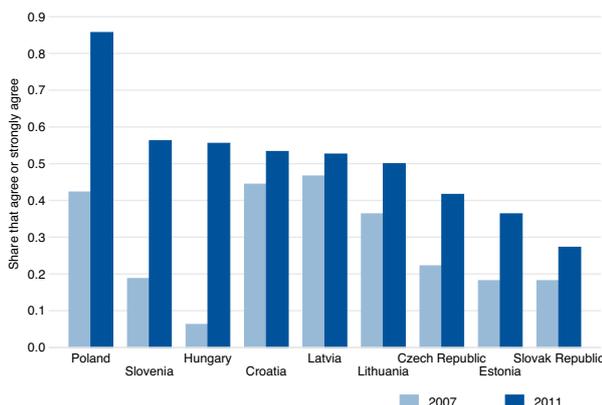
**Chart 1** Bank localities by ownership



**Chart 2** Areas of parent bank influence



**Chart 3** The burden of direct regulatory instructions



**Chart 4** Hierarchy of funding sources

