

Foreign capital in the Polish banking sector.

Intercultural context



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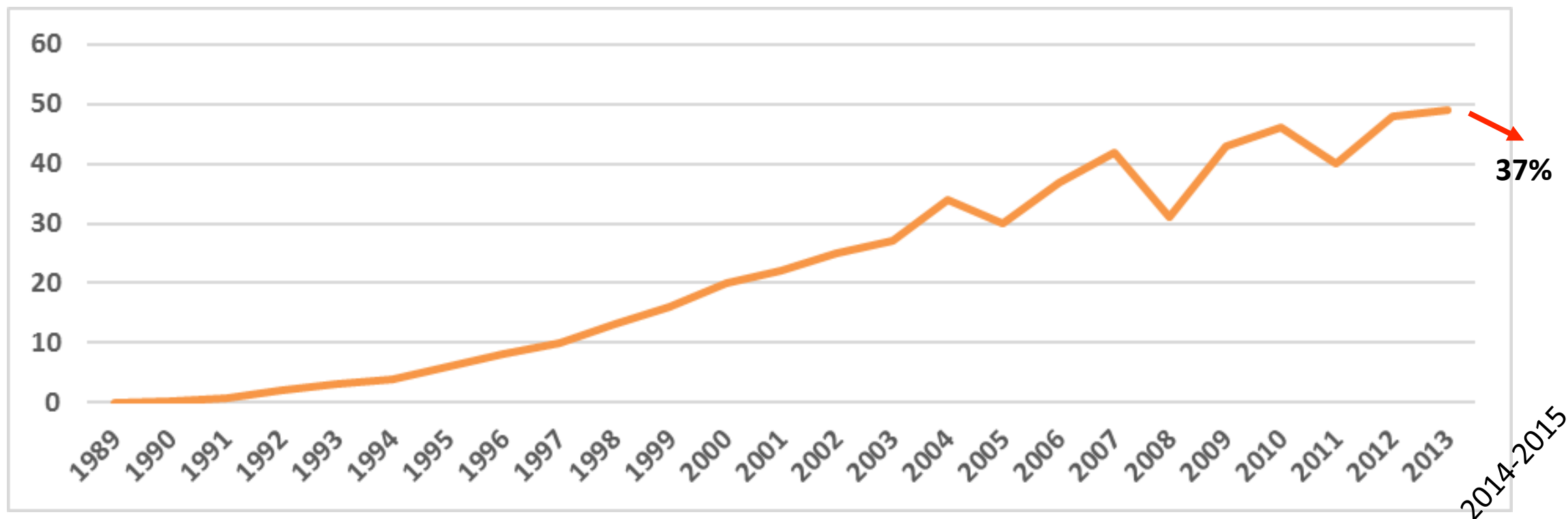
Warsaw School of Economics



Questions

- Does the country of origin matter?
- What is the impact of the national cultures of foreign investors on Polish banking?
- What is the importance of foreign capital for the stability of the banking sector?
- What is the balance of cons and pros of the presence of foreign capital in Polish banking?

Polish GDP versus FDI 1989 – 2015 (%)



Source: UNCTAD, European Commission

Attitudes of Poles in front of other nations

Nations	Score	Nations	Score	Nations	Score
Italy	0,92			Lithuania	0,35
Spain	0,86			Georgia	0,30
Czech R.	0,80			Estonia	0,29
Sweden	0,74			Bulgaria	0,24
Hungary	0,73			Ukraine	0,11
UK	0,71			Bielarus	0,05
Netherlands	0,70	Germany	0,46	China	0,00
USA	0,68			Israel/Jewish	-0,08
France	0,66			Vietnam	-0,09
Ireland	0,66			Turkey	-0,24
Belgium	0,61			Romania	-0,49
Austria	0,58			Russia	-0,60
Japan	0,55			Gypsies	-0,93

Score from -3 to +3 (negative – positive)

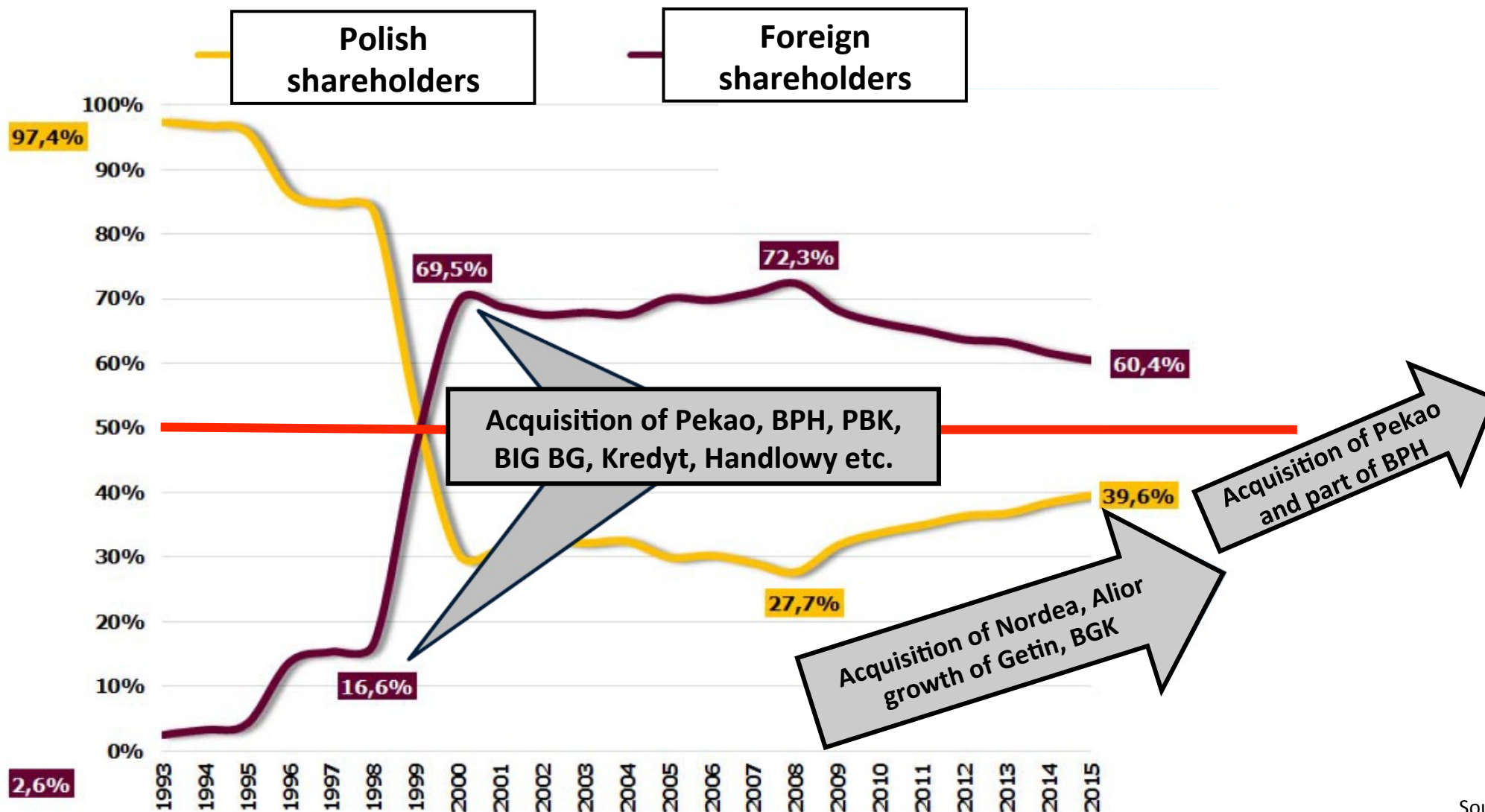
Opinions about foreign capital in Polish economy

Evaluation	Opinions (%)								
	V	V	V	IV	VIII	IX	X	I	IV
	199	199	199	199	200	200	200	200	200
	5	6	8	9	0	1	3	5	6
Positive	59	63	62	51	44	48	51	61	60
Negative	27	16	18	31	36	29	28	22	13
No opinion	14	21	20	18	20	23	21	17	27

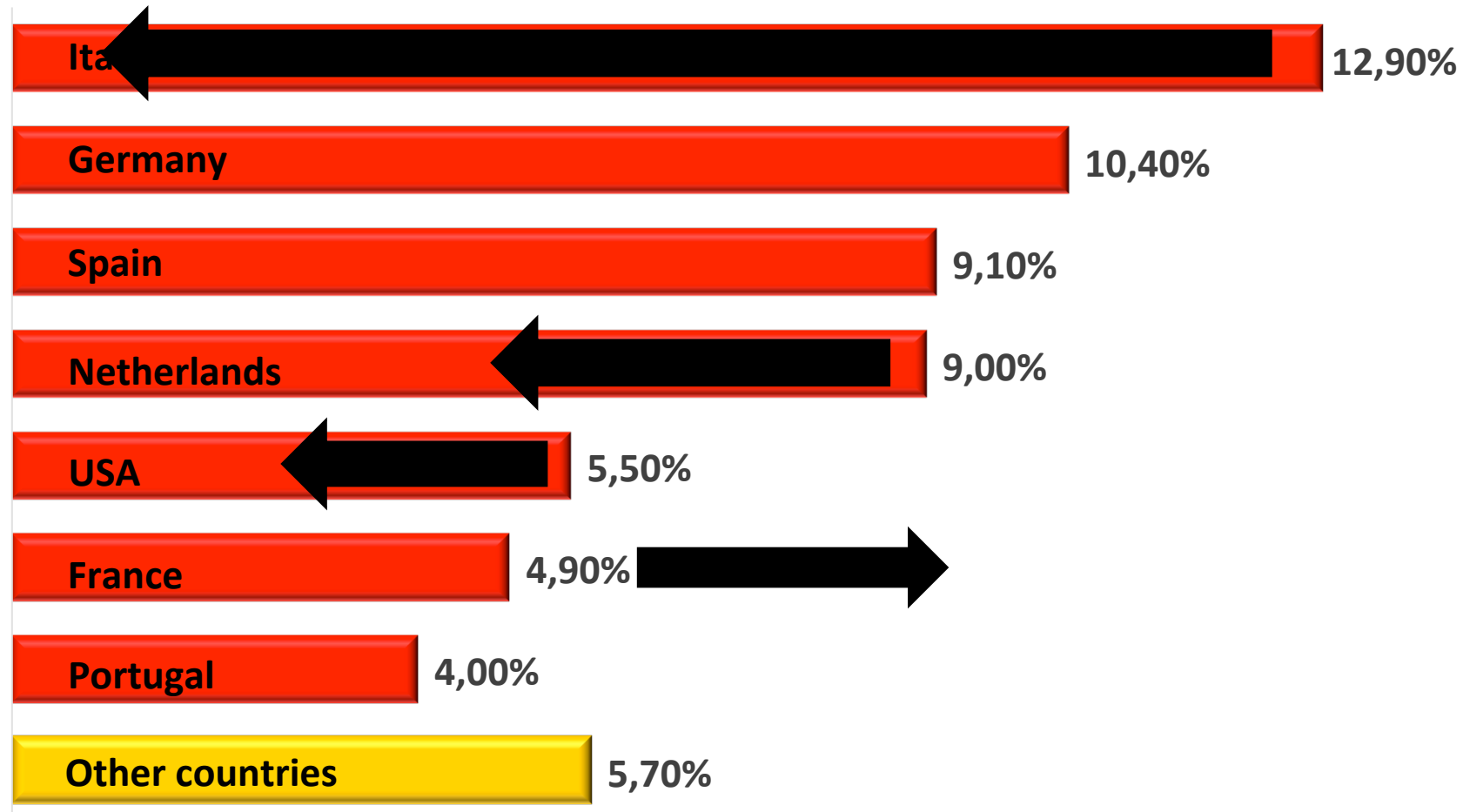
Consumer ethnocentrism in Poland financial services

- **14,2%** - preferences for services provided by Polish companies
- **53,9%** - cosmopolitan consumers – the most important is an offer (price, quality, convenience, etc.), no preferences because of an origin of capital
- **31,9%** - preferences for services provided by foreign companies

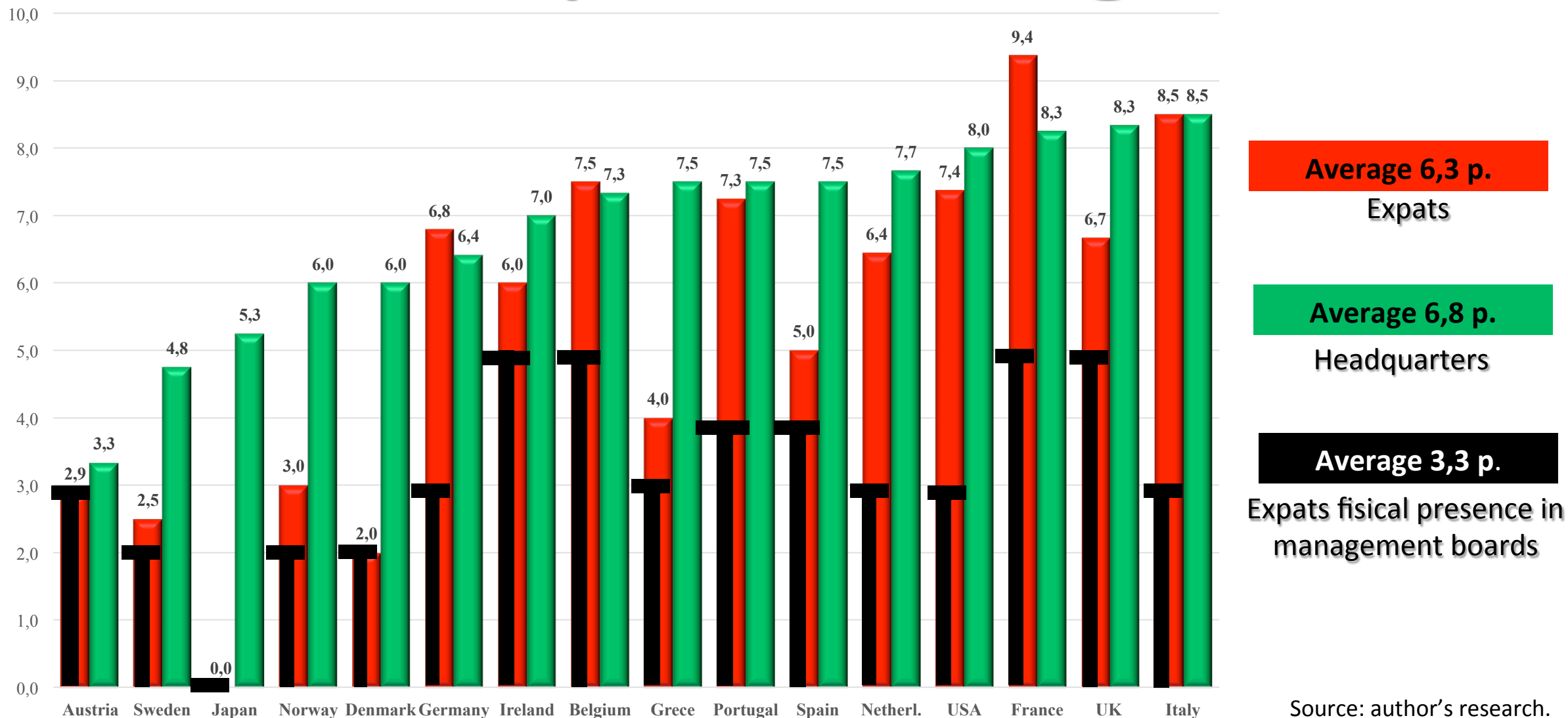
Shareholder structure banking industry in Poland (assets)



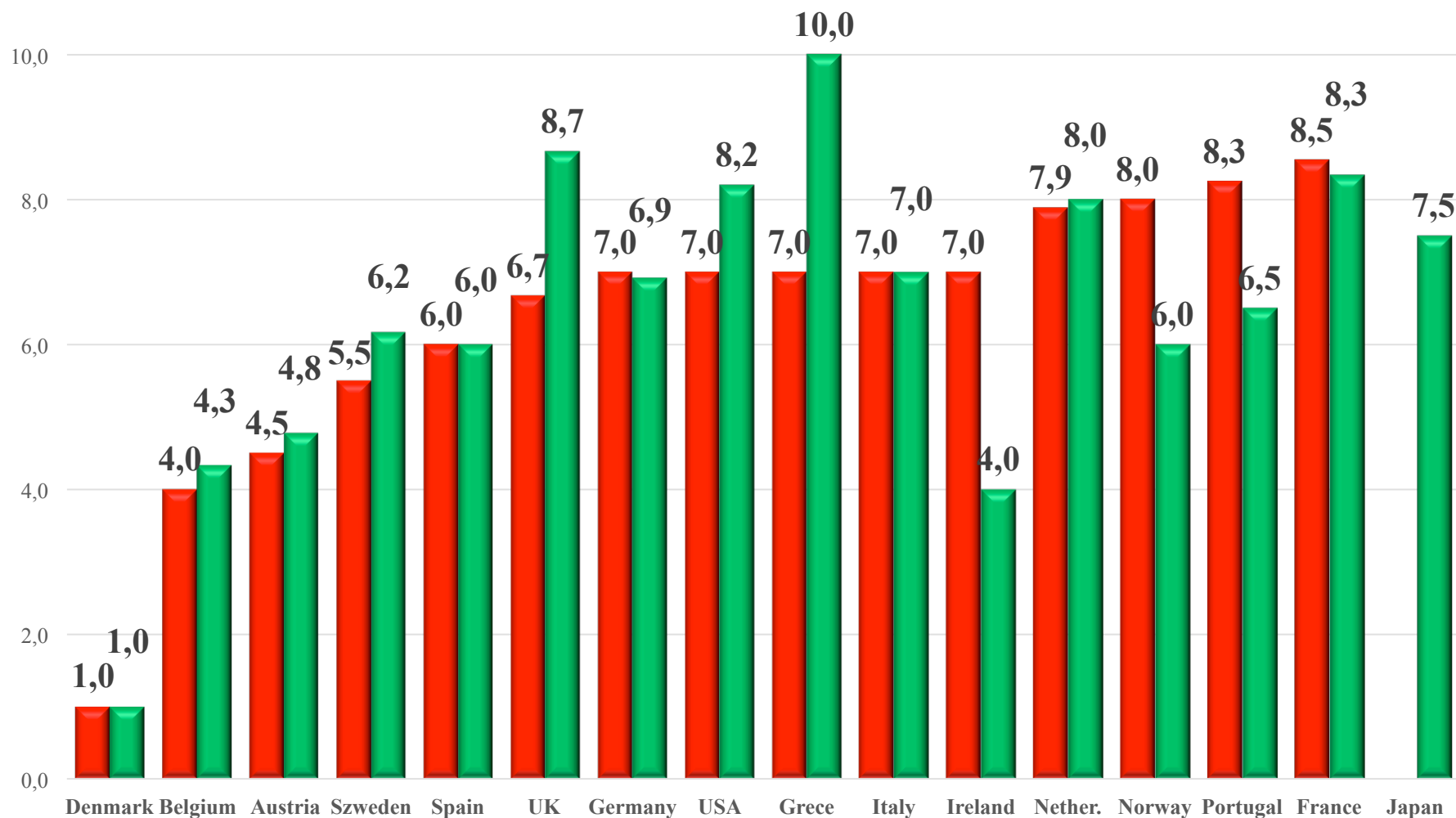
Shareholder structure foreign capital (assets) 2014 → 2017



Direct impact of foreign shareholders on bank operational management



Ethnocentrism foreign shareholders



Average 6,4 p.

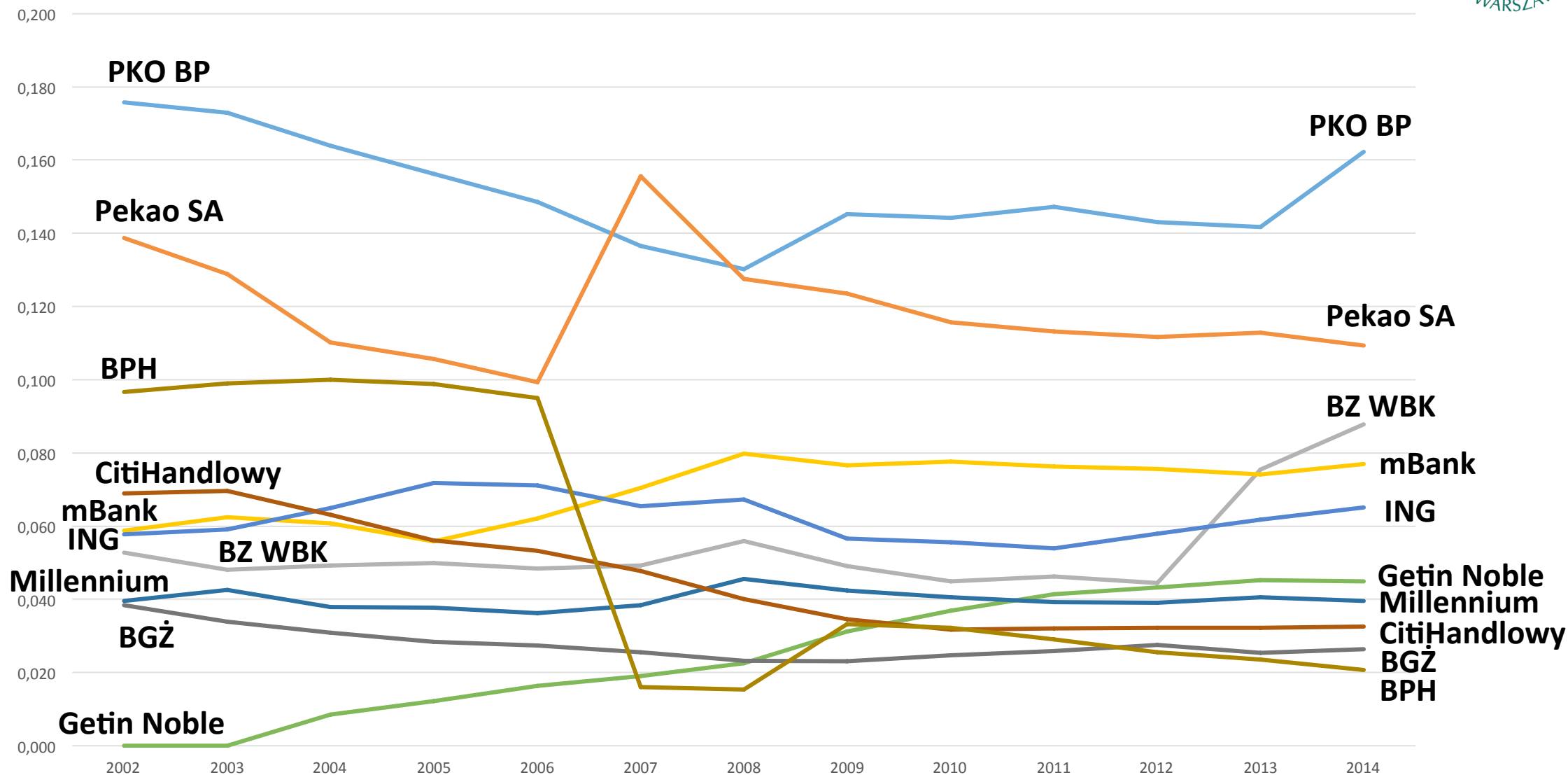
Expats

Average 6,5 p.

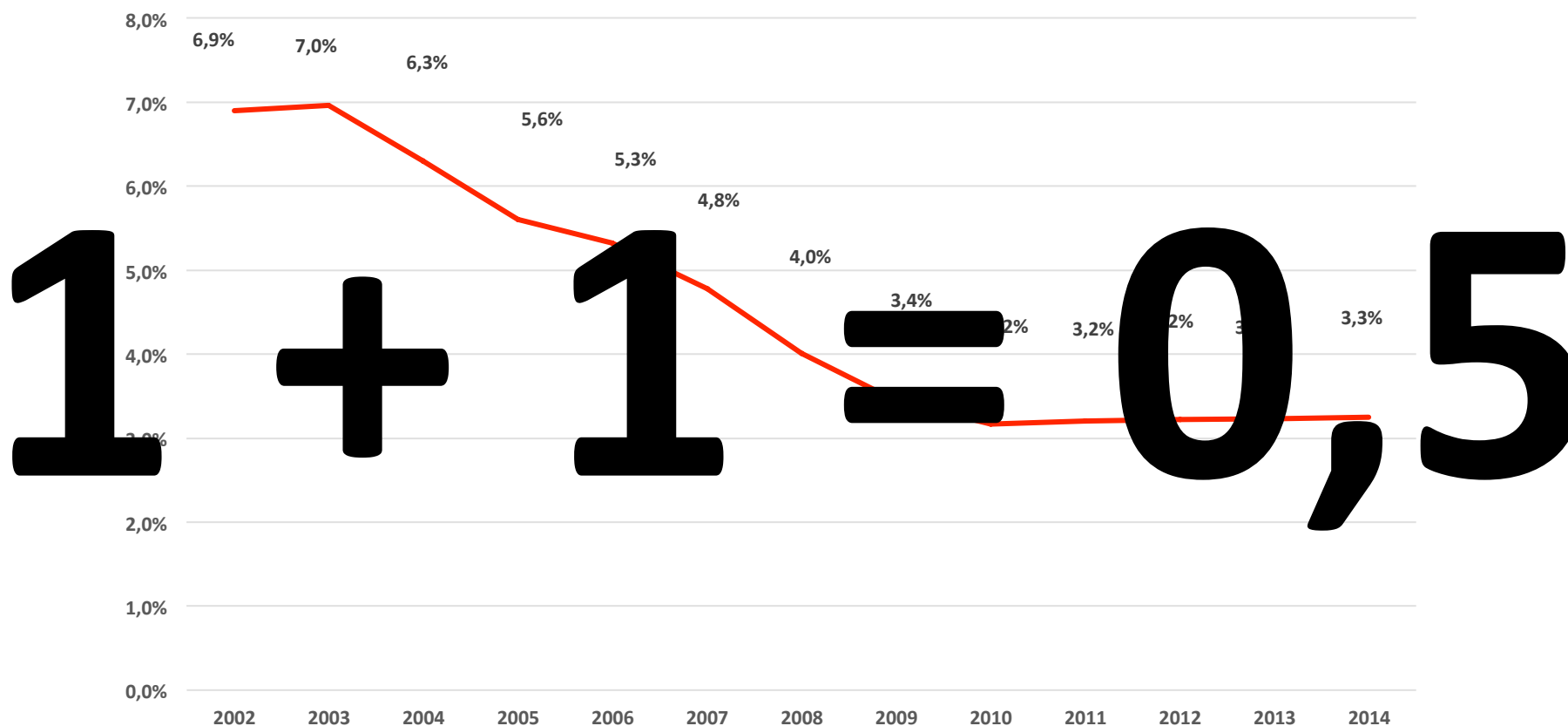
Headquarters

Source: author's research.

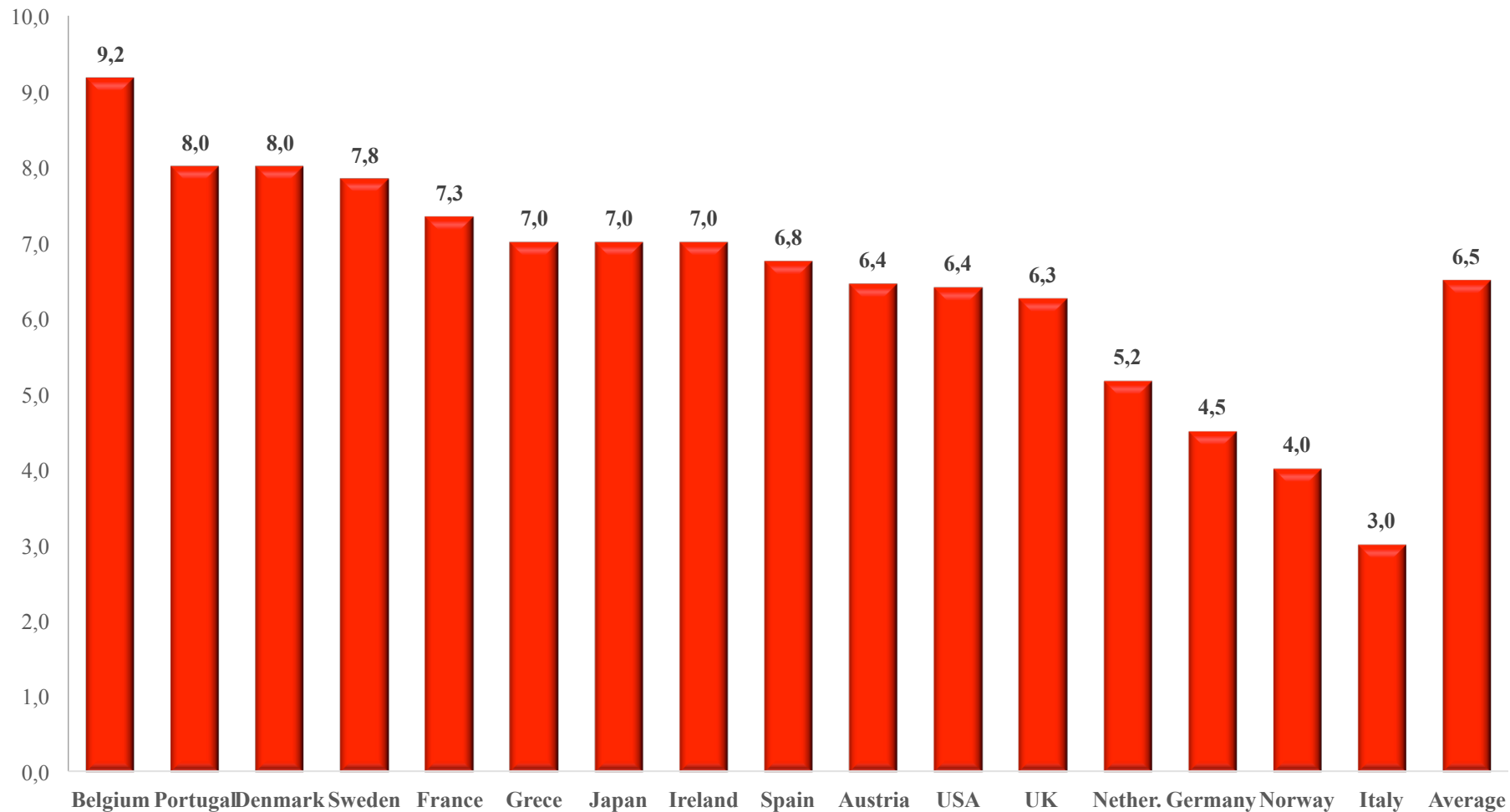
Bank's market shares



Bank Handlowy w Warszawie SA (Citibank) – market share

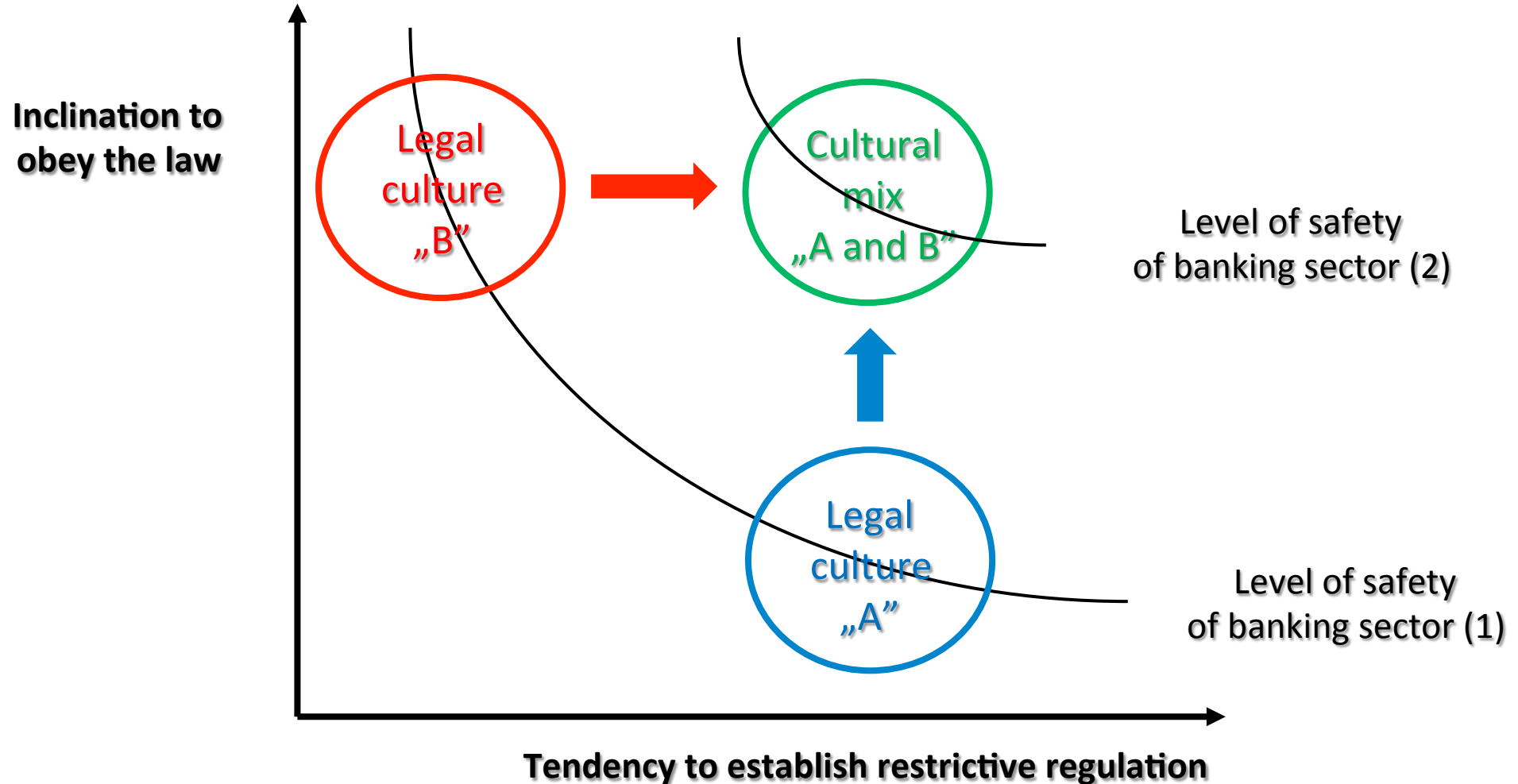


Respect to the regulator/supervisor foreign shareholders

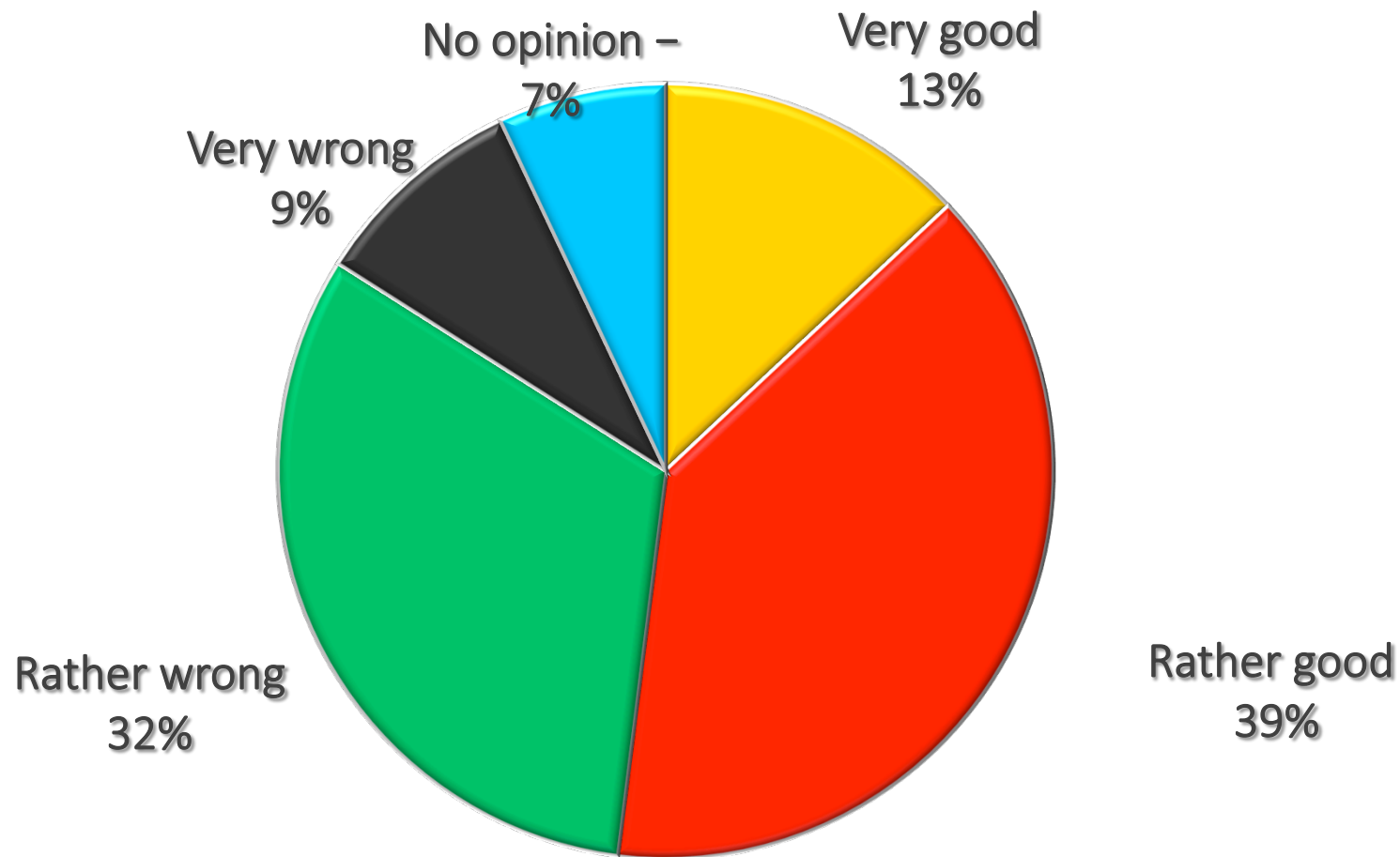


Average 6,5 p.

Safety of Polish banking sector



„Repolonization” Good or wrong direction ?



Conclusions

- Balance of cons and pros of the presence of foreign capital – final result: positive
- The stability of the banking sector - moral hazard: Polish versus foreign capital
- Context of the influence of cultural factors
- The role of cultural clusters of South and North Europe
- Cultural barriers in the management of banks

**Thank you for your
attention**