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The post-crisis strategies of exchange banks in Poland in the context of their operating effectiveness

Abstract: The global financial crisis changed the customers' approach to the banking sector. Nowadays, banks are often perceived not as public trust institutions, but enterprises operating with a huge risk on a highly competitive market and set on a short-term profit. Such an approach and the financial results of the global financial crisis influence the banking sector in a direct and indirect way. As a result, banks in the post-crisis period had to adopt such operating strategies, which allowed them to rebuild the trust and successfully and effectively function on the financial service market. The aim of the article is the analysis of the management strategy adopted by banks and the evaluation of their effectiveness in the post-crisis period. The author presents a thesis that the change in the strategies of managing a bank after the crisis in 2008 resulted in limiting the risk and increasing the effectiveness of bank operating. In order to verify the thesis, the available materials on the strategies adopted by the exchange banks were compared and their effectiveness in the years 2009-2012 was analyzed.

Key-words: banking sector, bank's strategy.

Banking sector after the financial crisis

The investment bank, Lehman Brothers, went busted five years ago. The date of its collapse, 15th September 2008, became a symbolic beginning of the global financial crisis, the result of which was the global economic crisis. Since then the image of the world's banking has significantly changed. Five years ago the world was dominated by European and American banks. In terms of fund, HSBC, Citigroup or Royal bank of Scotland were the biggest. Nowadays, the Chinese ICBC is the greatest bank, followed by American giants JP Morgan Chase and Bank of America. ["The Banker" 2013]. In the EU banking sector, due to the great engagement of the banks from highly-developed EU countries in toxic securitized papers and financing the debt of the peripheral countries of the eurozone, banks incurred a great loss and their banking sectors found themselves deep in a crisis. Among the economies creating the

Eurozone one can enumerate two groups of countries which were distressed the most by the disorders caused by the financial markets crisis. The first group includes the economies where before the crisis the number of banks grew on the real estate markets (mainly Spain, Ireland, France). On the other hand, the second group includes the economies which were characterized by a great measure of dependence between the growth and the external demand (mainly Germany). [NBP report 2009, p. 9]

Analyzing the influence of the crisis phenomena on the Polish banking sector we can observe a few factors determining its condition after the global financial crisis. One of the factors are the macroeconomic phenomena. The economic recession among the leading world economies, at the same time being the major Polish trade partners, caused the reduction of GDP and the increase of unemployment. As a result of this, the entrepreneurs limited their investing processes and rationalized expenses. It had a vital influence on the quality of the credit portfolio of both individual and institutional customers. Another important factor influencing the banking sector was the trust on the interbank market and the trust of customers to the financial sector blamed for causing the crisis. The lack of trust had an impact on the interferences in the functioning of the interbank market. Banks narrowed down their credit limits causing the rapid drop of fluctuation in the sector. The situation was heightened by the bank customers' uncertainty especially towards the financial institutions with the majority of foreign equity. The threat of transferring the financial problems of the original companies on their branch offices in the countries hosting the equity was real and noticed by the customers who partially withdrew their financial contribution. The origin of the equity was another factor influencing the Polish banking sector. Under the conditions of the global financial crisis, the banks with the majority of Polish equity have a greater tendency to finance the home economy. It constitutes a specific manifestation of the phenomenon known on the financial markets as *home bias*. The speed of the domestic economic growth in the analyzed period slowed down visibly, and the essential factor that could contribute to this was a radical reduction of loans given by the banks with foreign equity. The contrary behaviour of the domestic banks redounded to the retaining of the economic growth and reducing the negative economic effects of the global financial crisis in Poland. First of all, the offering of loans created by the domestic banks ensured such financing of the home economy which allowed keeping a positive pace of changes in GDP [Włodarczyk 2012, p. 148].

In some countries, particularly in emerging markets, the foreign-owned bank shares in local activity grew to dominate shares by domestically-owned banks. The volume of credit issuance originating from foreign-owned banks within local markets also grew rapidly, although not homogeneously, across countries [Goldberg 2013, p. 5].

The Polish banking sector turned out to be resistant to both the American crisis as well as the debt crisis in the eurozone. The domestic banking operates according to the traditional model of banking mainly based on the deposit and credit activity. The level of financial leverage is relatively low in comparison to the banks of the developed countries. [Lepczyński, Penczar 2012, p. 407].

Countries which depended more heavily on resources from parent banks going into the crisis (i.e., a higher ratio) saw a greater contraction in their total foreign funding during the crisis [Cerutti, Claessens, McGuire 2012, p. 12].

The good condition and financial effectiveness of the banking sector in Poland after the global financial crisis is well-known. It is characterized by a high solvency ratio, low operating costs and a high return on equity. Changing and deteriorating conditions of business in the time of crisis and shortly after it did not influence all the banks to the same extent. Among other things, it results from the fact that the underlying most modern studies of the impact of financial development and banking markets on economic growth is an assumption that each country consists of a single national banking market. That assumption may be reasonable for countries whose banking markets are dominated by a few large banks with national branching networks, but probably is not reasonable for countries with geographically segmented banking systems [Mitchener, Wheelock 2010, p. 20]. In order to verify the thesis, the analysis of the operating effectiveness of all the banks listed in the Stock Exchange Market in Warsaw were enumerated. Fourteen exchange banks constituted 67% of assets of the banking sector in 2009 and 2012 (Table 1). In terms of assets the biggest are PKO Bank Polski and Pekao S.A., the smallest Alior Bank and BOŚ. It ought to be mentioned that at the end of 2012 the number of commercial banks was 45, cooperative 572 and credit institutions 25.

Table 1. Total assets of the banking sector and exchange banks in the year 2009 and 2012

Banks	2009	2012
PKO BP	156	193
Pekao	131	151
BRE BANK	81	102
ING BANK SLASKI	60	78
BZ WBK	52	60
GETIN NOBLE BANK	33	59
BANK MILLENNIUM	44	53
Bank Handlowy	36	44
BGŻ	25	37
BPH	34	34
Nordea Bank Polska	20	33
ALIOR BANK	6	21
BNP Paribas	20	21
BOŚ	12	17
Other banks	349	449
BANKING SECTOR	1 060	1 353

Source: own case study basing on the data from Polish Financial Supervision Authority and banks' financial reports.

Analyzing the net financial result of the banking sector (Table 2), it is seen that the ratio of the exchange banks' participation in the result of the whole sector are even more visible and amount to 85,6% in the year 2009 and 82,3% in the year 2012. The result of PKO Bank Polski only in the result of the sector was 24,2%.

Table 2. The net financial result of the banking sector and the exchange banks in the years 2009 and 2012

Banks	2009	2012
PKO BP	2 305	3 749
Pekao	2 421	2 956
BRE BANK	129	1 203
ING BANK SŁASKI	582	832
BZ WBK	986	1 434
GETIN NOBLE BANK	437	371
BANK MILLENNIUM	84	472
Bank Handlowy	525	970
BGŻ	101	130
BPH	56	261
Nordea Bank Polska	145	151
ALIOR BANK	-271	172
BNP Paribas	-429	31
BOŚ	14	37
Other banks	1 192	2 752
BANKING SECTOR	8 278	15 521

Source: own case study basing on the data from Polish Financial Supervision Authority and banks' financial reports.

Similarly huge scale in the proportions is represented by the analysed banks in terms of employing the workers in the sector (Table 3). Fourteen out of 643 banks in the year 2009 were the employers of 63% of the workers of the sector. In 2012 they employed 63,4% of the workers of the sector. Despite the decrease in employment in the analyzed period, PKO BP is still the biggest employer in the sector and it employs 31 100 people in 2009 and 28 600 in 2012.

Table 3. Employment in the banking sector and exchange banks in the years 2009 and 2012

Banks	2009	2012
PKO BP	31,1	28,6
Pekao	20,9	19,8
BRE BANK	5,6	6,1
ING BANK SLASKI	8,1	8,7
BZ WBK	8,8	8,3
GETIN NOBLE BANK	3,0	6,4
BANK MILLENNIUM	5,9	6,0
Bank Handlowy	5,2	4,8
BGŻ	5,0	5,6
BPH	7,6	5,6
Nordea Bank Polska	1,9	2,0
ALIOR BANK	2,3	4,9
BNP Paribas	2,7	2,8
BOŚ	1,7	1,7
Other banks	65	64
BANKING SECTOR	175,0	175,1

Source: own case study basing on the data from Polish Financial Supervision Authority and banks' financial reports.

The banks chosen for analysis in this article constitute a highly representative specimen, which enables a reliable verification of the presented thesis. It can be assumed that macroeconomic factor and the crisis influencing the banks differently, had an impact on the whole banking sector. The functioning strategies adopted after the crisis by the banks concentrated on different elements. Referring to the analysed fourteen strategies one may enumerate three blocks of strategic actions: strategic/financial leverages, the sphere of bank value and financial effects.

Strategic leverages

Milind Lele came to a conclusion that certain enterprises differ when it comes to flexibility of operating in five dimensions: the target market, the product, the distribution place, the promotion and the price. The enterprises which render the highest profitability are named a strategic leverage [Lele 1991, p. 358]. In the case of the exchange banks' strategy it is vital to assess by them the expected operating effects in the above-mentioned dimensions. Analyzing the banks' strategies after the crisis in the area of strategic leverages (Table 4), we can observe certain repeated elements: client, workers, local society and technology.

In banks' strategic leverages the clients is mentioned in several contexts: customer's satisfaction, taking care of the client or the relationship with customers. In all the cases, the customer is in the centre of attention. Banks offer products shaped to the customers' needs, communicates with them in a clear way, but first of all, listens to them. Taking care of the customers' business is a supreme principle of operation. Banks want to be a „first-choice bank” for them. They empower their trust by the constant increase in the quality of services offered, clearness of operation, respect in mutual relations, protection of the privacy of information. They use the full value potential of the biggest base of current customers by an offer of products which is matched to the segments' needs. Bank Zachodni WBK S.A. stands out on the market with the fact of possessing the Customer's Spokesman. It acts as an appealing institution and participates in the creation of the standards of customer service by the realization of the following tasks: setting the standards and rules regarding receiving and handling complaints, supporting the bank employers in the area of especially difficult complaints, recurrent results of the complaint analysis presented to the bank managers, making arrangements aiming at eliminating the reasons for customer's dissatisfaction, co-operation with the Bank Arbitrator operating at the Polish Banks Association.

In the strategies described, banks create for their employees a friendly and safe workplace enabling the employees on any steppingstone to keep the balance between work and personal life. The aim of banks is building a culture based on trust, responsibility for the given tasks and skillfully giving the feedback. It is strengthening the organizational culture, basing on common values and human resources, oriented on cooperation, engagement and skills' development. Bank invests in a constant development of their workers by creating the possibility of education or the access to various educational forms. The key educational activities concentrate on trainings and introducing the culture of feedback among workers and managerial cadre. The bank supports building the long-term career in the organization, giving the workers, apart from various forms of access to knowledge and competence development, also the possibility of promotion. Some strategies also refer to the incentive systems. In banks there function incentive and bonus systems, being a connection of three elements: targets – referring to the priorities resulting from bank strategies and financial plans, results – meaning the effects of bank workers' work and the amount of bonus.

Local society seen in the strategic leverages is based on the engagement towards the society. It can be noticed in the actions for a balanced development through environment protection and also in supporting culture and socially important events. Banks act for education and the development of enterprises, eg. among secondary school students. Another interesting example of the cooperation with the local society is civic responsibility – it means help in combating social exclusions and promoting education and culture. Bank is actively present in the society, taking the role that falls outside the typical obligations: special support for neighbourhoods and areas in a bad socio-economic condition, supporting the charities and safeguard job establishments.

Analyzing the strategic leverages presented by exchange banks one should pay attention to the fact that a part of the actions declared by them have a shape of marketing activities used in order to creating a positive image of the bank in the customers and workers' consciousness. In the post-crisis time the common care of costs and protection of the financial result limited or stopped the declared activity for rationalizing expenses and gathering reserve funds.

Table 4. Bank strategic leverages

1. PKO Bank Polski	2. Pekao S.A.	3. BRE BANK	4. ING BANK ŚLĄSKI	5. BZ WBK	6. GETIN NOBLE BANK	7. BANK MILLENNIUM
* Customer satisfaction	* Taking care of customers	* Taking care of customers	* Relations with customers	* Actions of social type	* Customers	* Relations with customers
* Distributional perfection	* Social engagement	* Capital	* Relations with workers	* Incentive programmes	* Investing in innovations	* Relations with workers
* Innovation and technologies	* Training and occupational development	* Competence	* Actions for society	* The institution of customer spokesman		* Clear actions
* Effectiveness of organisation		* Culture	* Actions for environment			* Safe actions
		* Costs				* Modern infrastructure

*development of competence *Revitalisation and alliance	* Protection of Polish bisons			* Customer satisfaction * Quality		
8. Bank Handlowy	9. BGŻ	10. BPH	11. Nordea Bank Polska	12. ALIOR BANK	13. BNP Paribas	14. BOŚ
* Customer satisfaction * Quality and innovation * Effectiveness	* Incentive systems * Actions for environment * Innovation and technologies	* Training and occupational development * Strategic Fair Play * Innovation and technologies	* Wide and innovative distribution net * Relations with customers	* Relations with customers * Charity activity * Development of new products and distribution channels	* Environmental responsibility * Citizen responsibility * Employer responsibility	* Actions supporting environment protection * Relations with customers * Qualified personnel

Source: Own case-study basing on the data from banks' internet sites.

The sphere of bank values

Many economists and market analysts claim that the financial institutions, especially banks, are responsible for the global financial crisis. Analyzing the reasons of the crisis we deal with a new dimension of systemic risk, whose basis is the „moral gambling”. It is defined in the light of ethics as immoral behavior, in the light of economic as disturbances in the effective market operation and restricting fear by greed. As a consequence the systemic risk is increased [Pawłowicz 2010].

On canvas of the negative opinions in the image strategies of bank activities in the post-crisis period, in fact banks expanded the sphere of values and moral rules (Table 5). As far as values are concerned banks concentrate on such issues as: credibility, trust, justice, freedom and respect.

Credibility is perceived as building credibility towards internal and external customers, taking full responsibility for decisions and actions. It is keeping the obligations. It is going by the highest quality standards. It also is honesty towards themselves and others, actions coherent with the bank image and values. Reliability named as an equivalent of credibility is offering services and products together with a clear and understandable manner of showing the details of the offer to customers, explaining and pointing out the best solutions.

Trust is shown by banks as:

- Trust in the relations with friends means credibility based on keeping the given word and the ability to admit to be wrong. Such inner relations should determine our organization's style of action.
- Trust in the relation with customers and suppliers should be earned exclusively by means of constant proofs of our good reputation gained thanks to consistent behaviour, reliability of our products and services, especially in the long term, the ability to admit to be wrong and the change of behaviour and previously made decisions.
- Trust in the relations with investors means creating long-standing, long-term bonds with financial environments, with keeping the consequences and credibility of action, and also simultaneous acceptance of opinions expressed by the market.

Respect is the activity aiming at the customers' well-being. It is approaching each of them individually, with appropriate respect and smile. Respect also means understanding the various needs and opinions of all clients and workers. It is treating every one in every situation as someone the most important for us at the moment.

One of the most interesting values was presented by Alior Bank. It was the value of passion – taking care of the capital market because it gives happiness, mobilization and makes life fuller. It adds to a better understanding of the financial market and being into customer's shoes.

The sphere of exchange banks' values is an ABC of enterprises' ethical behavior. The lack of observing the rules caused severe losses not only in the economic dimension, but also social one. Today the lack of trust to the market caused the introduction of precautions (eg. the recommendations of financial inspection) and regulations protecting the customers (eg. MiFID, Consumer Credit Regulation) to banks' activities.

Table 5. Banks' values

1. PKO Bank Polski * Creditability * Customer satisfaction * Constant training * Entrepreneurship	2. Pekao S.A. * Trust * Freedom * Reciprocity * Respect * Clearness * Equality	3. BRE BANK * Looking in the future * Professionalism * Simplification * Thinking * Engagement	4. ING BANK ŚLĄSKI * Honesty * Respect * Openness * Common sense	5. BZ WBK * Trust * Innovation * Customer satisfaction	6. GETIN NOBLE BANK * Innovation * Effectiveness	7. BANK MILLENNIUM * Development * Innovation * Customer's satisfaction
8. Bank Handlowy * Common goal * Responsible business * Innovation * Development of talent	9. BGŻ * Responsibility * Engagement * Social responsibility	10. BPH * Market orientation * Clear and precise thinking * Imagination and bravery * Cooperation * Knowledge and experience	11. Nordea Bank Polska * Professionalism * Customer satisfaction * Justice * Trust	12. ALIOR BANK * Respect * Professionalism * Innovation * Passion	13. BNP Paribas * Engagement * Ambition * Creativity	14. BOŚ * Durability * Reliability * Environment protection * Client * Activity

Source: Own case-study basing on the data from banks' internet sites.

The analysis of the exchange banks' effectiveness of operation in the years 2009-2012

In order to verify the presented thesis, five parameters – three economic indicators ROE, ROA and C/I, the security indicator – capital adequacy ratio – and the sector valuation index WIG-Banki were adopted for the analysis of the effectiveness of operation.

The effectiveness of equities in the period from 2009 to 2012 (Table 6) for the banking sector was from 8% to 13%. The best period was the year 2011 when Getin Nobel bank reached a very high ROE on the level of 31%. In the analyzed time the most capital effective banks were: BZ WBK, Getin Nobel Bank and PKO Bank Polski. The stability of high capital effectiveness was shown by: BZ WBK, ING Bank Śląski and Pekao S.A.

Table 6. ROE of the banking sector and exchange banks in the years 2009 – 2012

Banks	2009	2010	2011	2012
PKO BP	15%	15%	17%	16%
Pekao	14%	13%	14%	13%
BRE BANK	2%	12%	15%	14%
ING BANK ŚLASKI	13%	14%	15%	11%
BZ WBK	22%	16%	17%	18%
GETIN NOBLE BANK	13%	16%	31%	8%
BANK MILLENNIUM	0%	10%	11%	10%
Bank Handlowy	9%	12%	11%	14%
BGŻ	4%	5%	5%	4%
BPH	2%	-3%	5%	6%
Nordea Bank Polska	15%	17%	15%	7%
ALIOR BANK	x	-10%	15%	10%
BNP Paribas	-34%	3%	3%	2%
BOŚ	2%	6%	6%	3%
BANKING SECTOR	8%	10%	13%	11%

Source: own case study basing on the data from Polish Financial Supervision Authority and banks' financial reports.

The rate of return from the exchange banks' assets in the period from 2009 to 2012 (Table 7) for the whole banking sector formed at the range from 0,8% in the year 2009 to 1,3% in the year 2011. The most stable and effective in the profitability of assets were BZ WBK, Pekao S.A. and PKO Bank Polski. These banks reached almost twice more effectiveness than the banking sector.

Table 7. ROE of the banking sector and exchange banks in the years 2009 – 2012

Banks	2009	2010	2011	2012
PKO BP	1,6%	2,0%	2,1%	2,0%
Pekao	1,8%	1,9%	2,1%	2,0%
BRE BANK	0,1%	0,8%	1,2%	1,2%
ING BANK ŚLASKI	0,9%	1,2%	1,3%	1,1%
BZ WBK	1,9%	1,8%	2,1%	2,4%
GETIN NOBLE BANK	1,0%	1,2%	2,0%	0,7%
BANK MILLENNIUM	x	0,7%	1,0%	0,9%
Bank Handlowy	1,3%	2,0%	1,8%	2,3%
BGŻ	0,4%	0,4%	0,4%	0,4%
BPH	0,2%	-0,4%	0,6%	0,7%
Nordea Bank Polska	0,8%	1,1%	1,0%	0,4%
ALIOR BANK	x	-1,3%	1,2%	0,9%
BNP Paribas	-2,1%	0,2%	0,2%	0,1%
BOŚ	0,1%	0,5%	0,4%	0,2%
BANKING SECTOR	0,8%	1,0%	1,3%	1,2%

Source: own case study basing on the data from Polish Financial Supervision Authority and banks' financial reports.

The cost/income ratio (Table 8) is a measure of care of the internal costs of bank functioning. The ratio became especially important in the time of crisis. Banks, in the event of limited income drastically reduced cost and kept down expenses. In the analyzed period the biggest dynamics of the cost-income ratio decrease was shown by: PKO Bank Polski and BRE Bank. The decrease accounted for 85 and the tendency to reduce costs was permanent. Other banks, although periodically showing a greater dynamic, consequently in the year 2012 did not permanently reduce the indicator. In the analysis a really high C/I indicator in BOŚ Banku, BPH and BGŻ were noted, and they amounted to 80%, 74% and 70% respectively. These banks significantly differ from the banking sector's average, which is 51%. Keeping such a high cost position with decreased interest rates, margins and bank fees in the long term will negatively influence their financial result and other indicators.

Table 8. C/I of the banking sector and exchange banks in the years 2009–2012

Banks	2009	2010	2011	2012
PKO BP	48%	42%	40%	40%
Pekao	52%	51%	48%	48%
BRE BANK	54%	50%	45%	46%
ING BANK SLASKI	59%	58%	56%	57%
BZ WBK	48%	51%	50%	44%
GETIN NOBLE BANK	36%	33%	27%	37%
BANK MILLENNIUM	x	63%	60%	57%
Bank Handlowy	53%	54%	59%	52%
BGŻ	77%	75%	x	70%
BPH	69%	69%	66%	74%
Nordea Bank Polska	65%	56%	55%	58%
ALIOR BANK		97%	64%	64%
BNP Paribas	x	x	x	x
BOŚ	85%	76%	74%	80%
BANKING SSECTOR	54%	52%	51%	51%

Source: own case study basing on the data from Polish Financial Supervision Authority and banks' financial reports.

The solvency ratio expressing the proportion of equity and the sum of assets and the off-balance sheet items measured by the risk is the security benchmark of the bank and banking sector's functioning. The ability to protect against the risk born by the banks by means of equities is gauged on its basis. The minimal value of this ration determined by World Bank's Inspection Panel is 8%. The Polish banking sector in the years 2009–2012 noted a high ratio in the range of 13 to 15% (Table 9). In terms of security from the exchange banks Bank Handlowy, Pekao S.A. and Alior Bank stand out. These banks' indicator in the whole post-crisis period were stable and much higher than the banking sector's ones.

Table 9. Solvency ratio of the banking sector and exchange banks in the years 2009 – 2012

Banks	2009	2010	2011	2012
PKO BP	15%	13%	12%	13%
Pekao	16%	18%	17%	19%
BRE BANK	12%	16%	15%	19%
ING BANK ŚLASKI	11%	13%	12%	15%
BZ WBK	12%	16%	15%	17%
GETIN NOBLE BANK	11%	10%	10%	12%
BANK MILLENNIUM	10%	14%	13%	13%
Bank Handlowy	17%	19%	16%	18%
BGŻ	12%	11%	10%	12%
BPH	12%	13%	14%	14%
Nordea Bank Polska	10%	11%	10%	14%
ALIOR BANK	34%	15%	10%	17%
BNP Paribas	13%	14%	12%	14%
BOŚ	13%	12%	12%	15%
BANKING SECTOR	13%	14%	13%	15%

Source: own case study basing on the data from Polish Financial Supervision Authority and banks' financial reports.

The important element of perceiving the activity of a sector or individual exchange companies is their valuation on the stock market. The exchange index WIG-Banks¹ can be used for the evaluation of the effectiveness of the banking sector by the analysts and the market.

As results from the analysis of the index value from 31 December 2008 to 16 October 2013 r. it increased 3, 5 times from 2334,67 points to 8316,68. The current historical pitch was preceded by a four-year period of growth, which is a constant increase of trust for the banking sector and the expected growth of its results.

¹ WIG-banks index is a sector index, comprising the copartnerships participating in WIG index and simultaneously enrolled in the "banks" sector. In the subindex portfolio there are the same packets as in WIG index portfolio. The base date of the index is 31 Dec 1998, and the index value that day was 1279,56 pkt. The subindex methodology is the same as WIC index, i.e. it is a profit index and when it is calculated the prices of shares contained in it as well as the profits from dividends and subscription rights are acknowledged [www.gpw.pl access from 15.10.2013].

Drawing 1. The graph of the index of WIG-Banks in the years 2008–2013

Source: www.Bankier.pl, Access from 15 October 2013.

Polish exchange banks are often valued by the market much better than their foreign owners. Valuation of as many as five banks: BRE, BZ WBK, ING, BSK, Alior and Getin Nobel were put on historical places. The next three: PKO Bank Polski, Pekao and Handlowy are at the doorstep of the top in the year 2007. WIG-Banks from a local fall on the stock market on 5th September gained 21%, almost 6% more than the mass market WIG [Sobolewski 2013]

Summary

An agency problem between banks and their depositors induces endogenous capital constraints for banks in obtaining funds from households. Empirically-disciplined shocks to bank net worth alter the ability of banks to borrow and to extend credit to firms. I find that these financial shocks are important not only for explaining the dynamics of financial flows but also for the dynamics of standard macroeconomic aggregates. They play a major role in driving real fluctuations due to their impact on the tightness of bank capital constraint and the credit spread. The tightness measure of credit conditions in the model tracks the index of tightening credit standards constructed by the Federal Reserve Board quite well [Mimir 2013, p. 1].

As results from the analysis, the negative effects of the global financial crisis on the exchange banks in Poland had a rather limited scope. The reasons of such a result were: relatively poorly developed level of financial service development, meagre usage of advanced bank products (financial engineering), smaller relation between the sector and the real sphere and the wide-ranging supervision of the financial market. These factors made it possible for the banking sector to effectively and safely function in the post-crisis period. The

exchange banks, also being under pressure of the investors' side, were included in the tendency, which additionally motivated to effective actions. Basing on the review of strategies and the analysis of bank operating, the thesis was positively verified. The alteration in the strategies of bank managing after the crisis in 2008 caused a limitation of risk and increase in the effectiveness of bank operating. As results from the researches according to the above measurements adopted in the years 2009–2012, the greatest financial and cost effectiveness as well as security can be allocated to Pekao S.A and PKO Bank Polski. These banks are the biggest in Poland. Their total assets' share in the banking sector was 27% in the year 2009 and 25% in the year 2012, and their net financial result 57% and 41% respectively. At the end of 2012 these two banks employed 28% of people employed in the banking sector.

Analyzing the exchange banks' strategy we can separate their common features:

- keeping the basic business segmentation in banks,
- an essential part of the ownership in strategy is to protect the capital to operation,
- an augmented stress on the sphere of values and the risk of refutation in order to build the trust for banks and the market,
- concentrating on values: credibility, trust, respect,
- concentrating on the growth factors: customer, employees, local society and technology.

The Polish banking sector, where the key role is played by 14 exchange banks (67% of the sector's total assets, 82,3% of the net financial result at the end of 2012), is stable and in good financial shape. Its operating effectiveness rises through the growing demand on products and banking services, which foster market growth and richness of the Polish society. The enumerated growth factors meticulously, however not to a similar extent, make use of the exchange banks.

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