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## **International Banking and Cross-border effects of regulation: Lessons from Poland**

The main goal of this paper is to check whether foreign banks adjust their lending in Poland in response to changes in the regulatory policy in their home countries. Poland with its conservative, predominately foreign-owned banks concentrated on domestic activities is an interesting case to study the existence of the inward policy spillovers. Bank level data and fixed effect panel model are used to assess the impact of foreign regulations on the quarterly growth rate of lending to the domestic non-financial private sector. Apart from overall policy stance, the impact of changes in specific type of policies (general and sectoral capital requirements, LTV caps, reserve requirements, interbank exposures limits and concentration ratios) is investigated. Also, cumulative changes in policy restrictiveness are taken into account. Results show that tightening in the prudential policy abroad does not influence lending of Polish banks. While some banks' characteristics or cycle conditions seem to influence the effects of spillovers, no clear patterns are observed so it is hard to draw a binding conclusion.