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A word from the Editor

In the foreword to the 4th issue of Safe Bank at the end of 2018, I posed a rhetorical question: is there an institution that could attempt to repair the world's issues, focusing on social and environmental risks? A year has passed and a number of initiatives, both global and regional, have been launched to reduce the risk of destabilisation and to promote sustainable development. At the 10th Congress of Polish Economists in November 2019, it was stressed that economics cannot deal primarily with efficiency and growth, instead it must focus on quality of life and sustainable development, not only on a regional but also on a global scale. This, however, requires a shift of the paradigm towards a value economy. Such an approach is consistent with the Principles for Responsible Banking launched by 130 banks from 49 countries, representing more than USD 47 trillion in assets, on 22 and 23 September 2019 in New York City, during the annual United Nations General Assembly. The Principles provide the framework for a sustainable banking system, and help the industry to demonstrate how it makes a positive contribution to society. They are accelerating the banking industry's contribution to achieving society's goals as expressed in the Sustainable Development Goals and the Paris Climate Agreement. Against this background, the dilemma '*to be or to have*' should be replaced with the principle '*in order to survive you have to learn from the future, not from the past*'.

In this issue of Bezpieczny Bank, we have published seven studies on various aspects of the financial market, with particular emphasis on the banking sector. Supervision of the financial market increasingly acquiring regulatory power, *inter alia*, through the extensive application of self-produced 'soft' regulatory norms. It is progressively moving away from passive compliance checks towards an active influence of the financial markets reality. The opening paper provides a synthetic review of principal challenges currently facing financial market supervision.

Recently, integration of the EU financial sector has been very popular in public policy debate. In the second paper, we look at the current state of financial integration in Europe and examine the arguments for and against the use of waivers and discuss alternatives to the use of waivers, based on expanding the use of branches and indicate incentives, which can play a role in shaping the quality of cooperation between home and host supervisors.

Dynamic changes and new entities in the financial markets using modern technologies require non-standard responses from links within the security network. The third article in this issue is devoted to challenges generated by FinTech for central banks.

In an attempt to show our concern for the risk of catastrophic climate change and the emerging consensus of the presidents of central banks in the European Union on using the financial sector as a measure to counteract this change, we have published a text on this subject. The article is devoted to the identification of risks in the financial sector related to climate change on Earth.

Despite of the mass media stereotype, surveys indicate that banks in Poland have a good reputation. An attempt to explain this paradox can be found in the paper that examines determinants of the Polish banking sector's reputation and suggests societal segmentation according to the factors that shape this reputation.

As in the past year, we published the results of the next edition of the panel research devoted to *Macroeconomic Challenges and Forecasts for Poland,* which emerged from the work of experts from the European Financial Congress. In addition to the factual message, the applied methodology should be highlighted, specifically the diversity of experts participating in the identification of challenges and formulation of forecasts, as well as the procedure used to determine the final results.

Traditional principles of subsidiarity and territoriality in cooperative banking remain valid despite the globalisation of financial markets, but they are not always properly used for the benefit of stakeholders. Polish cooperative banking also faces the dilemma of remaining in a relatively small market niche, with an ageing population as the dominant customers and shareholders. Additional challenges include boldly meeting development challenges, modernising the business model and gaining possible market share and recognition of potential stakeholders. These problems are discussed in the study "*Towards a new business model of cooperative banks",* which was based on the debates that took place during the 13th Forum of Cooperative Bank Leaders held in September 2019 in Warsaw.

Wishing you a Happy New Year and interesting reading! I encourage you to participate in the discussion on the problems of stability and security of the financial systems all over the world.

Jan Szambelańczyk
Editor-in-Chief