



From the editorial office

Customarily, the turn of the year is also a time for sober reflections. When limiting to the journal's profile, it is worth making a few observations on the financial system. A synthetic review of debates held in the financial community allows us to conclude that throughout almost the entire year 2021, the subjects of the impact of the COVID-19 pandemic on the functioning of socio-economic systems, the issue of slowdown or growth rate, taking into account perturbations in global supply chains, as well as the interventions by the public authorities to mitigate the pandemic effects, were dominant in the country and in the world. The subject of the so-called "Swiss franc loans", and especially in the fourth quarter – lack of expected aid funds from the EU and a sharp inflation increase, were the top topics in Poland. Problems related to global climate threats were also not ignored, mainly in terms of the system – the poorer the region or continent, the greater the threats.

In the globalized world, it is impossible to ignore the issue of geopolitical perturbations affecting the world economy. One can mention here, amongst others, conflicts between China and the USA, Russia's assertive policy towards its near and distant foreign countries, and finally tensions within the European Union. It could even be argued that superpower policy aims to shape a new global balance infrastructure. Against the background of the ongoing processes, the Polish banking sector remained stable, and the financial results turned out to be better than the pessimistic forecasts. On the other hand, against the background of the sharp change in the NBP interest rate policy in connection with the record-breaking for two decades inflation, the risk of a dynamically expanding portfolio of housing loans without an appropriate long-term financing structure is growing. All this means that especially the youngest generations of financial market participants are facing previously unknown challenges that they will have to face. To make matters worse, the COVID-19 pandemic seems to be never ending, and it is constantly surprising us with new problems. In a word – begins the year in which it will be necessary not only to properly address, but also to solve socially and financially difficult problems.

Going beyond the scope of the Safe Bank Journal industry, it is also worth noting that the dominant trend is still solving problems, even crises in the world, taking into account paradigms from the increasingly distant past, which are inadequate

for the present day. Given the above-mentioned conditions, the question arises whether the limit of usefulness of these paradigms is not exceeded and whether not to boldly and prudently formulate and implement an innovative approach based on greater integration of social and natural sciences. One can even find proposals for a revision of the mainstream economics paradigm for the adaptation of the global socio-economic system to the concept of sustainable development, symbolically corresponding to the principles of thermodynamics (also known as the Bagel Economy). Since every human activity requires energy transformations leading to an irreversible increase in the entropy of the system, which we experience, among others, in the materialization of ESG risk.

In the last issue of the Safe Bank in 2021, in the section *Problems and Views* we publish five articles, four of which in various aspects deal with the issues of the relationship between the COVID-19 pandemic and the functioning of the financial system in the scale of the European Union and its member states, with particular emphasis on the Polish banking sector. The fifth article outlines the prospects for the development of European covered bonds. In the *Miscellanea* section, we present the 8th edition of macroeconomic challenges and forecasts developed by experts from the European Financial Congress. The issue is complemented by a discussion on Paweł Niedziółka's monograph entitled *Green (r) evolution in Polish banking*.

With wishes of interesting reading and a pleasant 2022.

Editor in Chief
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