

The main goal of the designed research is an analysis of the role and efficiency of monetary policy transmission through bank lending channel in the Polish economy with respect to turbulent regulatory environment. Assuming that banks play a key role in the Polish financial system, inter alia through granting access to means of financing of SME and households, which have limited access to other financing sources (or none at all), it is worth underlining that potential decline in loan granting by banks may have a direct impact on functioning of these entities and at the same time – economy as a whole. Bank lending channel has to be understood in this case as complementarity and amplification of widely-covered in scientific publications interest rate channel. Designed research aims at proving that the abovementioned channel of transmission of monetary impulse is functioning in Poland, however, due to changes in regulatory environment its role has been reduced and will be subject to further limitations, inter alia due to introduction of banking tax in Poland and further deterioration of economic stability in the cooperative banks and credit unions, which requires higher fees paid for financing of the Bank Guarantee Fund in Poland.

Verification of the hypotheses will be carried out using multi-equation error correction model based on aggregated data, and model based on panel data of individual institutions of the Polish banking sector, as well as for comparison purposes data of foreign credit institutions will be used. Estimation of parameters of structural VECM model will lead to creation of reaction functions to changes in monetary policy. The subject of interest would be estimated parameters and shape of the reaction functions of fundamental variables introduced to monetary policy impulses. Also disaggregated panel models will be prepared, which will make verifying the impact of changes in interest rates and changes in the regulatory environment (understood as a change in the fundamental values of prudential parameters) on the volume of loans between various institutions of the banking sector possible. Furthermore, an attempt will be made to examine the difference between banks due to their form of activity, size, liquidity position, capital and also the issue of competitiveness in the banking sector and its impact on the effectiveness of monetary impulse transmission to the real economy will be examined. Static panel models taking into account the fixed and random effects will be estimated, as well as dynamic models enabling to reflect the dynamic nature of the process of monetary policy transmission through the credit channel.

The conducted research and its outcome will form a basis for answering the question how the change of central bank's interest rates determines the change of market interest rates, loan rates and volume of loans in banking sector (including changes in supply and demand) in dynamic regulatory environment. Verification of effectiveness of bank lending channel and interest rate channel of monetary policy transmission in Polish economic conditions would enable to design future monetary policy in the context of instruments' selection and manner of their implementation as well as adjust it to dynamic regulatory environment. Moreover, the conducted research would enable to verify the auxiliary hypothesis concerning the necessity to integrate the banking supervision authority with the central bank, which would enable the harmonization of monetary and supervisory policy instruments. Answer to the above is essential because of the need to determine if the monetary policy influence on bank lending over monetary policy transmission depends on their characteristics such as size of the entity, its liquidity position or legal form.