Naczyk, Marek

**Taking back control: Comprador bankers and managerial developmentalism in Poland**

*Review of International Political Economy*

APPENDIX A.3.

Outcomes to be explained

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# A.3.1. Repolonization of the banking sector

## *A.3.1.1. Domestic/foreign control over Polish banking assets, 1993-2019*

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| **Banking assets controlled by domestic and foreign investors, 1993-2019 (% of total banking assets)** |
|  |
| *Source*: KNF (Polish Financial Supervision Authority) |

## *A.3.1.2. Repolonization and remagyarazation compared*

|  |  |  |  |
| --- | --- | --- | --- |
| **M&As leading to the repolonization and remagyarization of the banking sector** | | | |
|  | **Poland** | **Hungary** | |
|  | *Re-nationalization* | *Re-nationalization* | *Re-privatization* |
| **2017** | *Bank Pekao S.A.*:  UniCredit S.p.A. sells 20% stake to state-controlled PZU S.A. and 12.8% stake to Polish Development Fund (PFR) |  |  |
| **2016** | *Bank BPH S.A.*:  GE Capital sells 100% stake to PZU-controlled Alior Bank | *Erste Bank Hungary Zrt.*  Erste Group Bank AG sells 15% stake to MFB-controlled Corvinus International Investment Ltd. and 15% stake to the European Bank for Reconstruction and Development (EBRD) | *MKB Bank Zrt.*  Hungarian State sells 45% to METIS Private Capital Fund1, 30% to Blue Robin Investments S.C.A. and 10% stake to Pannónia pension fund and 15% stake to MKB employee stock ownership plan |
| **2015** | *Alior Bank:*  Carlo Tassara holding group (Romain Zaleski) sells 25.26% stake to state-controlled PZU S.A. | *Budapest Bank Zrt.*  GE Capital sells 100% stake to a fund (Corvinus International Investment Ltd.) controlled by the Hungarian Development Bank (MFB) |  |
| **2014** | *Nordea Bank Polska SA*:  Nordea Bank AB sells 100% stake to state-controlled PKO Bank Polski S.A. | *MKB Bank Zrt.*  Bayerische Landesbank (BayernLB) sells 100% stake to Hungarian State | *TakarékBank*  Hungarian Development Bank (MFB) and Magyar Posta sell 54.8% stake in TakarékBank to Fidesz-allied Magyar Takarék Befektetési és Vagyongazdálkodási Zrt.2 |
| **2013** |  |  |  |
| **2012** |  | *TakarékBank*  Deutsche Zentral-Genossenschaftsbank  (DZ Bank AG) sells 38.5% stake to MFB (Hungarian Development Bank) |  |
| *Sources*: own reconstruction from publicly available news.  *Notes*:  1While there was much speculation about who the ultimate owners of METIS Private Capital Fund and Blue Robin Investments were, holding company Konzum – controlled by Lőrincz Mészáros, a close ally of Prime Minister Orbán, described as “the most crucial figure in the economic hinterland of Fidesz after 2014” (Scheiring 2020: 245) – acquired METIS’s 45% stake in MKB and a 4% stake from Blue Robin Investments (in total a 49% stake) in 2017 (BNE IntelliNews 2017; see also Mérő and Piroska, 2016: 222-223).  2 Magyar Takarék’s owners included FHB Mortgage Bank Nyrt. (controlled by Fidesz-allied business Zoltán Spéder - see Scheiring 2020: 229; 264), EPHSZ Kft. (a financial service development firm managed by Tamás Vojnits – the Fidesz-appointed state commissioner responsible for revamping the savings cooperatives sector), and József Vida – chairman and chief executive of savings cooperative Szentgál és Vidéke, and also management board member at Takarékbank (Dow Jones Institutional News 2014). | | | |

# A.3.2. The reform of development institutions

## *A.3.2.1 Polish system of development institutions*

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| --- | --- | --- | --- |
| **Institutions forming the Polish Development Fund Group** | | | |
|  | **Date of creation** | **Main authority in charge before 2016** | **Main authority in charge from 2016** |
| Bank Gospodarstwa Krajowego (BGK) | 1989 (1924) | Ministry of Finance | Ministry of Development (and cooperation in “Polish Development Fund Group”) |
| Industrial Development Agency (ARP) | 1991 | Ministry of the State Treasury |
| Export Credit Insurance Corporation (KUKE) | 1994 | Ministry of Finance |
| Polish Agency for Enterprise Development (PARP) | 2000 | Ministry of the Economy |
| Polish Information & Foreign Investment Agency (PAIiIZ) –renamed Polish Investment & Trade Agency (PAIH) in 2017 | 2003 (through merger of 2 agencies created in 1991-92) | Ministry of the Economy |
| Polish Development Investments (PIR) renamed Polish Development Fund (PFR) in 2016 | 2013 | Ministry of the State Treasury |
| *Source:* Own research | | | |

## *A.3.2.2. Supervisory boards of development banks in selected EU countries*

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| **Composition of Supervisory Boards of National Development Banks, 20201** | | | | | |
| **Country** | **Institution** | **Year of creation** | **State nominees** | **Representatives of business** | **Other** |
| Poland | BGK | 1924 | 14 directors nominated by different Ministers (Economy; Finance; Regional Development; Construction; Transport, etc.) |  |  |
| PIR  *(replaced by PFR in 2016)* | 2013 | 4 directors nominated by different public authorities (2 by Minister of State Treasury; 1 by Minister of Finance; 1 by BGK) | 5 independent directors from the private sector |  |
| PFR | 2016 | 5 to 7 directors appointed by Shareholders’ meeting – effectively majority of reps of Ministries  (State Treasury owns 99.39% stake; BGK: 0.61%) | | |
| Czechia | ČMZRB | 1992 | 6 directors nominated by different Ministers (Finance; Industry and Trade; Regional Development) |  |  |
| Slovakia | SZRB | 1991 | 6 directors chosen by the Minister of Finance |  | 3 directors elected by SZRB employees |
| Hungary | MFB | 1993 | 2/3 directors nominated by Minister in charge of national assets |  | 1/3 directors elected by MFB employees |
| United Kingdom | British Business Bank | 2014 |  | At least 6 independent directors (out of at least eight members) who are to make up the majority of the Board (of minimum 8 directors) |  |
| Spain | ICO | 1971 | 6 directors appointed by Minister of the Economy and Business among civil servants |  | 4 independent directors (who are not civil servants) appointed by the Minister of the Economy and Business |
| Italy | CDP | 1850 | 9 directors appointed by Shareholders’ meeting (Min. of Economy and Finance owns 82.77% equity stake; Bank Foundations: 15.93%; Treasury: 1.30%) | | |
| In addition, for management of postal savings: Director-General of the Treasury and Accountant General of the State |  | In addition, for management of postal savings: 3 directors appointed by regions, provinces and municipalities |
| France | CDC | 1816 | 3 directors are National Assembly deputies;  2 directors are senators;  1 director is the Director General of the Treasury |  | 2 directors appointed by CDC staff |
| 5 directors appointed by Parliament;  3 “qualified persons” appointed by the State | | |
| BPIFrance | 2013 | 4 directors appointed by the State; 3 directors appointed by the CDC |  | 2 directors appointed by French Regions; 2 directors elected by BPIFrance employees |
| 4 “qualified persons” (in practice, 3 representatives of business and the CEO of BPIFrance) | | |
| Germany | KfW | 1948 | 7 directors are Ministers themselves (with Min. of Finance and Min. of Economy alternating as Chairs);  7 directors appointed by the Bundestag; 7 directors appointed by the Bundesrat | 5 directors representing different segments of the banking industry;  2 reps of industry;  1 rep of agriculture;  1 rep of the crafts;  1 rep of trade;  1 rep of the housing industry | 1 rep. of the association of municipalities;  4 reps of trade unions |
| *Notes:*1 The information above describes the composition of Boards as effective in September 2020 except for PIR (Polish Investments for Development), which ceased to exist in 2016  *Source*: Own research | | | | | |

## *A.3.2.3. Assets of selected Polish development institutions as % of GDP, 1999-2019*

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| **Assets of the ARP, BGK and PIR/PFR as % of GDP, 1999-2019** |
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| *Source*: annual reports; Eurostat |

## *A.3.2.4. Assets of V4 development banks as % of GDP, 1999-2019*

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| **Assets of national development banks as % of GDP in the Visegrád Group, 1999-2019** |
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| *Source*: annual reports; Eurostat |

# A.3.3. New industrial policies

## *A.3.3.1. “Flagship projects” defined in the 2017 Strategy for Responsible Development*

* **Batory** – stimulating the development of technology, design and construction of Polish vessels and marine structures, shifting the shipbuilding sector towards the production of innovative products and specialized vessels with high added value.
* **Żwirko and Wigura**: stimulating the development of integrated management systems that acquire data from unmanned aerial vehicles - services based on the use of drones.
* **E-bus** – stimulating the design and production of Polish electric vehicles for the needs of public transport; building strong entities at all stages of the value chain in public transport rolling stock production - electric buses, trams.
* **Electric Car** – stimulating the development of technology, production of and market for electric cars.
* **Luxtorpeda 2.0** – stimulating the development of technology and the production of Polish rail vehicles, with particular emphasis on passenger transport vehicles.
* **Cyberpark Enigma** – As part of developing the competences of Polish companies and R&D units in the field of cyber security and data analysis, a Cyberpark Enigma center will be created and will have the potential to compete on the European market of specialized IT services. Other solutions supporting the development of the Polish IT sector potential will also be developed.
* **Telemedicine** – stimulating the development of modern medical services and products using innovative communication technologies; innovative products (services and technologies) will be prepared to improve access to specialist medical services;
* **Center for the Development of Biotechnology** – building Poland's position as a European center (hub) for advanced generic and bio-similar drugs. It will support the development opportunities of Polish companies in the production of modern drugs and their expansion into global markets;
* **Polish medical devices** – support for research and development and the commercialization of medical devices from strategic groups (e.g. Polish medical robot, artificial organs, cross-linked software solutions - software + devices, systems supporting or replacing the senses); aimed at stimulating the development of modern medical devices on the market domestic and foreign markets.
* **Eco-buildings** – stimulating the preparation and implementation of selected ecological construction products (including raw materials, wood, etc.), taking into account the energy efficiency requirements of modern building materials.
* **Polish furniture** – stimulating the development of industrial design and creating strong Polish brands using modern technologies and eco-design.
* **Intelligent mine** – stimulating the development of products enabling Polish industry to gain a significant position on the global mining and construction machinery market.

*Source:* Strategia Odpowiedzialnego Rozwoju [Strategy for Responsible Development], Warsaw, 2017