

## Press release after the meeting of the Financial Stability Committee on macroprudential supervision

Date: 05-12-2016

On 5 December 2016, the meeting of the Financial Stability Committee (FSC) on macroprudential supervision was held. The following persons participated in the meeting:

- Adam Glapiński, President of Narodowy Bank Polski, Chair of the Committee,
- Piotr Nowak, Undersecretary of State, Ministry of Finance,
- Marek Chrzanowski, Chairman of the Polish Financial Supervision Authority,
- Zdzisław Sokal, President of the Management Board of the Bank Guarantee Fund.

Performing its statutory duties, the Committee passed a resolution on recommending the maintenance of the countercyclical capital buffer rate at the level of 0% and decided to notify the European Systemic Risk Board of the countercyclical capital buffer and underlying indicators.

The Committee discussed the results of a collective assessment of possible sources of risks within the Polish financial system. The assessment was prepared for the first time on the basis of a questionnaire carried out among all the institutions represented in the Committee. As a result of this analysis, the portfolio of FX loans was identified as systemic risk in the context of the potential consequences of the regulatory solutions called for in the public debate. The following issues were also recognized as potential systemic risk sources: 1) decreasing resilience of banks related to their declining profitability, 2) growing portfolio of housing loans in Polish zloty with a floating interest rate, in the context of historically low interest rates and the lending policy of banks, and 3) difficult situation of the credit unions sector and some cooperative banks. Furthermore, the Members of the Committee discussed the assessment of systemic risk prepared by Narodowy Bank Polski within the works on the Financial Stability Report (December 2016) and agreed that the conclusions from both analyses are consistent and complementary.

The Committee took a decision in response to the Recommendation of the European Systemic Risk Board on intermediate objectives and instruments of macro-prudential policy (ESRB/2013/1). On the basis of the analysis conducted for the needs of the recommendation, the Committee stated that its recommendation powers in relation to macroprudential instruments are sufficient to effectively pursue the ultimate and intermediate objectives of macroprudential supervision.

The Committee was also informed on the progress made by the Working Group on the Risk of FX Housing Loans and accepted the work programme for 2017 according to which the next meeting of the Committee on macroprudential supervision is scheduled for the first quarter of 2017.