

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

Date: 11-06-2018

A meeting of the Financial Stability Committee on macroprudential supervision (FSC-M) was held on 11 June 2018. The following persons participated in the meeting:

- Paweł Szalamacha, Member of the Board of Narodowy Bank Polski as the Chair of the Committee,
- Leszek Skiba, 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 a recommendation addressed to the Minister of Finance on maintaining the countercyclical buffer rate at 0%, and decided to notify the European Systemic Risk Board of its level and underlying indicators. The representative of the Minister of Finance agreed with the recommendation and informed that there is no need for legislative measures in this area.

The Members of the Committee acquainted themselves with the NBP's [Financial Stability Report](#), which is presented twice a year. The Committee agree with the conclusions from the analysis presented in the latest edition of the Report, which shows that the Polish financial system is stable and the identified risk has declined since the previous publication. This is confirmed by the most important indicators illustrating the situation of the banking system regarding the credit risk, liquidity and capital position. Recently these indicators have remained at historically favorable levels, in terms of financial stability. The Committee also support the recommendations formulated in the Report.

The Committee was informed about overview of the analysis regarding current situation and developments in the residential real estate market, and assessed this market to be in the phase of high activity. This activity has not generated excessive pressure so far and the increase in demand was accompanied by small increases in house prices, partially related to rising production costs. The demand is determined mainly by buyers who meet their own housing needs, nevertheless the scale of investment purchases is also significant. However, there are almost no speculative purchases. The growth in supply still follows the rising demand, but some tensions might result from supply barriers and rising production costs. The Committee considered that, from the point of view of systemic risk sources, further close monitoring of the situation in the real estate market remains advisable.

The Committee also discussed the issue of the covered bonds market development in Poland.

The Financial Stability Committee decided to notify the European Systemic Risk Board on the information that material third countries were not identified for the purposes of recognising and setting countercyclical buffer rates, in line with the *Recommendation of the ESRB on recognising and setting countercyclical buffer rates for exposures to third countries* (ESRB/2015/1). The FSC-M also adopted a recommendation to Narodowy Bank Polski on the availability of data and information on the real estate market. This recommendation aims to implement the *Recommendation of the ESRB on closing real estate gaps* (ESRB/2016/14). The Financial Stability Committee, as a macroprudential authority, is obliged to fulfil tasks that include establishing a systemic risk monitoring framework for domestic real estate markets, based on defined indicators. This task requires, among others, obtaining relevant data.

The Committee Members adopted the *Information on Activities of the Financial Stability Committee in the area of macroprudential supervision in 2017*. In accordance with the statutory requirement to provide annual information on the activities of the FSC-M, it will be presented to the Sejm of the Republic of Poland by the President of NBP – the Chairman of the Committee. Subsequently, the document will be published on the NBP website.

The next meeting of the Committee on macroprudential supervision is scheduled to take place in September 2018.