

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

Date: 13-01-2017

On 13 January 2017, 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,
- 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.

The meeting was devoted to issues related to FX housing loans.

In the opinion of the Committee, the FX housing loan portfolios, in economic terms, do not generate significant systemic risk for the stability of the financial system. Nevertheless, the systemic risk generated by those portfolios cannot be omitted in the context of potential consequences of the regulatory solutions called for in the public debate, which assume mandatory conversion of FX loans to PLN, in particular using the exchange rates in which the loans were granted. Furthermore, the FX risk burden on borrowers and the social aspects related to it cannot be disregarded.

Taking into account the above mentioned conditions and risks, in the opinion of the Committee, there is a need for restructuring of FX housing loans on the basis of a voluntary agreement between banks and borrowers. The restructuring is particularly justified in the case of borrowers who found themselves in a difficult financial situation due to circumstances beyond their control.

Prompted by these needs as well as taking into account the proposal prepared by the Working Group, the Financial Stability Committee on 13 January 2017 passed a resolution on the recommendation on the restructuring of the FX housing loans portfolio.

The recommendation provides for, among others, increasing the risk weight and the minimal LGD parameter for exposures collateralized by residential mortgage, the purchase of which was financed by FX loan, implementing the systemic risk buffer, introducing changes in the functioning of the Borrowers' Support Fund, and issuing by the Polish Financial Supervision Authority a supervisory recommendation on best practices regarding the restructuring of FX housing loans as well as supplementing the Pillar II requirements by additional risk factors. The recommendation does not provide for additional taxation of FX loans.

The Committee's recommendations have been worked out taking into account European Union regulations related to the banking sector.

In the opinion of the Committee, instruments implemented by the recommendation approved today should not limit the credit supply for the real economy due to the existing capital buffers in the banking sector.

- [Resolution No 14/2017 of the Financial Stability Committee of 13 January 2017 on the recommendation on the restructuring of the FX housing loans portfolio](#) (PDF)