

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

Date: 13-05-2016

On 13 May 2016, the meeting of the Financial Stability Committee (FSC) on macroprudential supervision was held. The following persons participated in the meeting:

- Marek Belka, President of Narodowy Bank Polski, Chair of the Committee,
- Paweł Szalamacha, Minister of Finance,
- Andrzej Jakubiak, Chairman of the Financial Supervision Authority,
- Zdzisław Sokal, President of the 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 on the countercyclical capital buffer and underlying indicators.

The Committee acquainted itself with the first edition of the *Report on Macroeconomic Stability of the Polish Economy* prepared by Narodowy Bank Polski. According to the Report the Polish economy is on the sustainable growth path. Domestic economic stability is reflected, among others, in an almost closed output gap. The stability of the economy in the external dimension is confirmed, among others, by the low current account balance. The Report also emphasizes that due to the high foreign direct investments and other stable sources of financing, the negative net international investment position, being in Poland at the level typical for similarly developed countries, is not a source of concern.

The Committee acknowledged that the systemic risks identified by Narodowy Bank Polski in the Financial Stability Report have not changed. In addition, the Committee discussed and assessed the potential external sources of risk for the stability of the Polish financial system. The following external risks were indicated: deterioration in the global economic growth outlook, low interest rates over a longer period of time, geopolitical risk and regulatory uncertainty. The Committee also discussed the potential impact of the financial situation of the Polish banks' parent institutions on the stability of the banking system in Poland.

The Committee accepted and decided to publish the *Macroprudential supervision in Poland – institutional and functional* framework which is a significant component of the Committee's communication policy. Due to fact that macroprudential supervision is a new dimension of supervisory policy, the document explains the institutional and legal conditions of macroprudential supervision in Poland. Bearing in mind the effectiveness and transparency of the macroprudential policy, the Committee defined the intermediate objectives which it will be guided by in fulfilling the statutory objective of macroprudential supervision. The Committee indicated the following intermediate objectives:

- mitigation of risk arising from excessive growth or size of debt or leverage,
- mitigation of risk arising from excessive maturity mismatch of assets and liabilities of financial institutions or of the risk of illiquidity of financial markets,
- mitigation of risk arising from excessive concentration of exposures or their similarity, and the interconnectedness between financial system entities,
- mitigation of risk arising from misaligned incentives influencing the behaviour of financial institutions or their clients,
- ensuring the adequate resilience of the financial infrastructure.

This document will be reviewed after gathering additional experience and conclusions on macroprudential supervision in Poland.

The Members of the Committee summarised the activity of the Financial Stability Committee on macroprudential supervision in 2015. According to the statutory requirement, information on its activity will be submitted to Parliament by the President of Narodowy Bank Polski – the Chair of the FSC on macroprudential supervision.

The next meeting of the Committee on macroprudential supervision will take place in the third quarter of 2016.