

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

Date: 13-07-2020

The meeting of the Financial Stability Committee on macroprudential supervision was held on 13 July 2020. The following persons participated in the meeting:

- Paweł Szalamacha, Member of the Management Board of Narodowy Bank Polski as the Chair of the Committee,
- Piotr Nowak, Undersecretary of State, Ministry of Finance,
- Jacek Jastrzębski, Chairman of the Polish Financial Supervision Authority,
- Piotr Tomaszewski, President of the Management Board of the Bank Guarantee Fund.

The main topic of the Committee's meeting was the issue of risk weights applicable to banks regarding certain loans secured by real estate. The Committee considers that impacts of the COVID-19 pandemic require to undertake measures supporting the ability of banks to provide lending and sustain economic activity in Poland.

The Committee recommended a decrease from 100% to 50% of the risk weights for exposures secured on commercial real estates used by the borrower to conduct own business and not generating income from rent or profit on sales.

In the Committee's opinion, the recommended lowering of the risk weights, along with other measures undertaken by financial safety net institutions, may have a positive effect on strengthening banks' own funds and counteract the credit crunch.

At the same time, the Committee emphasized that it is crucial for the financial system and Polish economy that the funds released as an effect of lowering the risk weights should be used to finance the economy and cover possible losses in the forthcoming quarters.

Considering the broad set of assistance tools launched by the public authorities to aid the banking system, the Committee expects banks to maintain active lending to the economy and to increase their involvement in borrower-supporting activities.