

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

Date: 13-12-2019

The meeting of the Financial Stability Committee on macroprudential supervision (FSC-M) was held on 13 December 2019. The following persons participated in the meeting:

- Paweł Szalamacha, Member of the Board of Narodowy Bank Polski as the Chair of the Committee,
- Piotr Nowak, Undersecretary of State, Ministry of Finance,
- Rafał Mikusiński, Deputy of the Chairman of the Polish Financial Supervision Authority,
- Mirosław Panek, 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.

As part of the discussion regarding the assessment of the situation in the financial system, the Committee members got acquainted with the [Financial Stability Report – December 2019](#) prepared by NBP.

In addition, the sources and intensity of systemic risk were assessed based on the results of the survey conducted regularly among institutions represented in the FSC. The difficult financial situation of some credit institutions and sectors of the credit institutions as well as possible contagion of other system participants were determined as the main source of risk. The portfolio of foreign currency housing loans remains an important source of risk, primarily due to the legal risk resulting from the decisions of national courts in matters related to credit agreements and also in the context of the judgment of the CJEU of 3 October 2019 in case C-260/18. The Committee will monitor the situation in this respect.

The Committee took note of an overview of the current analyzes of trends on the domestic residential real estate market. The Committee has been noting the high activity on the housing market for a long time. However, indicators such as the price of an apartment or rental rate in relation to the economy's income, taking into account the deviation of real estate prices from the trend, do not show signs of strong tensions. The value of newly granted loans in relation to GDP and to the payroll fund is significantly lower than before 2009, despite increasing in the recent period. The level of housing loan debt is growing moderately and is stable in relation to GDP, whereas the increase in loans is not accompanied by an easing of lending policy by the banks. However, high demand in this market and a persistent increase in average loan value in relation to GDP and to the payroll fund indicate the need for banks to remain prudent when assessing the creditworthiness of clients applying for real estate loans, especially for investment purposes. The Committee will continue to monitor the residential real estate market from the point of view of sources of systemic risk.

The Committee was informed by representatives of GPW SA and GPW Benchmark SA on the progress on adjusting reference indicators to the provisions of the Benchmark Regulation¹, in particular about the submission by GPW Benchmark SA of the application to the Polish Financial Supervision Authority for authorization to act as an administrator of WIBID and WIBOR reference rates.

The Financial Stability Committee, implementing the provisions of the Act, reviewed and assessed the adequacy of the current systemic risk buffer (SRB). As a result of the analysis, the Committee recommended to the Minister of Finance [to maintain the systemic risk buffer rate](#) at the current level of 3% and under current conditions.

While implementing the assumptions of the *Macroprudential policy strategy in Poland* adopted in 2019, the Committee took note of the conclusions of the *Polish Payment System Oversight Report for 2018*, prepared periodically by NBP.

The Committee adopted the work schedule for 2020.

The next regular Committee meeting on macroprudential supervision is scheduled for the first quarter of 2020.

¹Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.