

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

Date: 16-03-2018

A meeting of the Financial Stability Committee on macroprudential supervision (FSC-M) was held on 16 March 2018. 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,
- 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 discussed the sources of risk in the Polish financial system indicated in the survey which was conducted among financial safety net institutions. It was agreed that the overall assessment of risk has not changed in comparison to the previous quarter. The uncertainty related to the portfolio of FX housing loans constitutes the most significant source of risk. It was assessed that the actions taken so far by the financial safety net institutions create conditions to reduce this risk.

The Committee also discussed the current situation and developments in the residential real estate market and assessed this market to be in the phase of high activity. High demand for housing results from an increase in salaries, low unemployment and relatively cheap credit. The demand is determined mainly by buyers who meet their own housing needs, and not speculative purposes. The growth in supply follows the rising demand, however, the share of finished dwellings on offer is decreasing, which is reflected by, among other, a slight increase in housing prices in the last quarters. The Committee will continue to monitor the situation in the real estate market.

The Committee fulfilled its obligations arising from the membership in the European Union and responded to the request made by Finland on reciprocation of the applied macroprudential measure. The macroprudential instrument, imposed on credit institutions active in the Finnish market and using the internal rating-based approach, consists of an average risk-weight floor of 15% for residential mortgage loans secured by housing units in Finland. The Committee decided not to reciprocate the Finnish macroprudential measure due to the fact that Polish banks do not have such exposures in their portfolios. An appropriate notification on this decision will be forwarded to the European Systemic Risk Board.

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