

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

Date: 21-09-2018

The meeting of the Financial Stability Committee on macroprudential supervision (FSC-M) was held on 21 September 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. It was agreed that the overall assessment of risk has not changed compared to the second quarter 2018. The most significant source of risk continues to be uncertainty related to the portfolio of FX housing loans, although the intensity of this risk has been reduced.

The Committee drew attention to the need to increase the transparency of trading in financial instruments and welcomed the direction of legislative measures taken in this area.

The topic of geopolitical developments and external sources of risk as well as their impact on the stability of the Polish financial system was also discussed.

The Committee took note of an overview of an analysis of the current situation and trends on the residential real estate market. It assessed this market to be in the high activity phase. This activity has not generated excessive tension so far, but the increase in demand was accompanied by increases in house prices, partly related to the increase in production costs. The housing demand is determined primarily by buyers of flats satisfying their own needs, nevertheless the scale of purchases for investment purposes is also significant. The Committee will continue to closely monitor the residential real estate market from the perspective of sources of systemic risk. It deemed that it is advisable for banks to be cautious when assessing the creditworthiness of clients applying for a loan to buy real estate, especially for investment purposes.

The FSC members also discussed the experience of other European countries in using macroprudential instruments that mitigate risks related to the financing of the housing market by banks.

In line with the obligations arising from EU membership, the Committee referred to Recommendation ESRB/2018/5 on reciprocation of the Belgian macroprudential measure applied to real estate exposures. Guided by the indications of this Recommendation, it was assessed that the conditions justifying non-reciprocation of this instrument are met.

The next meeting of the Committee on macroprudential supervision is scheduled for December 2018.