

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

Date: 24-03-2017

On 24 March 2017, the meeting of the Financial Stability Committee (FSC) on macroprudential supervision was held. The following persons participated in the meeting:

- Adam Glapiński, President of Narodowy Bank Polski, 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 recommending the maintenance of the countercyclical capital buffer rate at the level of 0% and decided to notify the European Systemic Risk Board of the countercyclical capital buffer and underlying indicators.

The Committee noted the proposal of the Bank Guarantee Fund on the approach to the calculation of minimum requirement for own funds and eligible liabilities (MREL).

Possible sources of risks within the Polish financial system were discussed on the basis of the results of a questionnaire carried out among all the institutions represented in the Committee. Similarly to previous periods, the following issues were recognized as potential systemic risk sources: 1) the decreasing resilience of banks related to their declining profitability, 2) the growing portfolio of housing loans in Polish zloty with a floating interest rate in the context of historically low interest rates and the lending policy of banks, and 3) the difficult situation of the credit union sector and some cooperative banks.

The portfolio of FX loans is still considered as the main systemic risk. In the opinion of the Committee, the FX housing loan portfolios, in economic terms, do not generate significant systemic risk for the stability of the financial system; however, the systemic risk generated by these portfolios still remain high in the context of potential consequences of the pending regulatory solutions. The Recommendation of the Financial Stability Committee from 13 January 2017 is the first stage of actions undertaken with the aim to reduce this risk.

The Committee was also informed on the outcome of activities undertaken by the Working Group on the Risk of FX Housing Loans. It was underlined that the Committee will monitor the process of implementation of the Recommendation by particular institutions and the progress in restructuring FX housing loans. In this context, it was noted that the Bank Guarantee Fund had implemented the Recommendation by including the risk related to FX housing loans in the method of calculating contributions to the deposit guarantee fund paid by the banks.

The Committee welcomed the information about the good results of the Polish macroprudential supervision stemming from the follow-up reports of the European Systemic Risk Board on the Recommendation on intermediate objectives and instruments of macroprudential policy (2013/1), and the Recommendation on funding of credit institutions (2012/2).

The next meeting of the Committee on macroprudential supervision is scheduled for June 2017.