

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

Date: 29-03-2019

The meeting of the Financial Stability Committee on macroprudential supervision (FSC-M) was held on 29 March 2019. The following persons participated in the meeting:

- Paweł Szalamacha, Member of the Board of Narodowy Bank Polski as the Chair of the Committee,
- Leszek Skiba, Undersecretary of State, Ministry of Finance,
- Małgorzata Iwanicz-Drozdowska, Deputy Chair 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 Committee discussed the sources of risk in the Polish financial system indicated in the survey conducted among the institutions represented in the FSC. It was agreed that the overall risk assessment has remained unchanged compared to the fourth quarter of 2018. The uncertainty related to FX housing loans still remains the main source of risk for Poland's financial system. The volume of FX housing loans is decreasing systematically, but the loans remain the important source of risk for Poland's financial system, due to the uncertainty regarding possible regulatory solutions concerning these loans.

Furthermore, the Committee members upheld the current assessment of the source of risk related to the necessity to timely adjust the domestic money market reference rates to the requirements of the Benchmarks Regulation¹. The Members of the Committee got acquainted with the schedule of work which needs to be undertaken to adjust the domestic money market reference rates to the requirements of the Benchmarks Regulation, provided by the GPW Benchmark SA.

The Committee took note of an overview of the current trends on the residential real estate market analysis. It upheld the previous opinion that it is advisable 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.

In the opinion of the Committee, the consumer loans segment requires further analysis and monitoring, especially due to the growing share of consumer loans with a high unit volume and long (multiannual) maturity.

The Committee discussed the draft Act amending certain acts in order to counteract usury (*Ustawa o zmianie niektórych ustaw w celu przeciwdziałania lichwie*) and agreed with the opinions of the Ministry of Finance, Polish Financial Supervision Authority and Narodowy Bank Polski, concerning limiting the use of supervisory recommendations by banks.

The next meeting of the Committee on macroprudential supervision is scheduled for the second quarter of 2019.

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.