



BANKING SECTOR'S APPEAL

In view of the challenges faced by Poles and the Polish economy, bearing in mind the highly negative effects of the so-called mortgage credits "repayment holiday" legislation, the banking sector appeals to representatives of all political groups, representing all levels of state power, not to take measures that undermine the banking sector's ability to support Polish businesses and their customers, as well as local government units.

Despite the Senate committee's request for a solution that is not unfair and pro-inflationary, the law has not been amended in this regard and still raises concerns and involves risks to financial stability.

Therefore, we appeal to the government to seek solutions that:

– **will limit the assistance to only those in financial distress** – because, according to the Prime Minister's public announcement, the repayment holiday was to be limited to borrowers having difficulty in pinning down their household budgets, and were passed by the Parliament as a universal solution, available to all borrowers;

– **will stop social injustice** – because, according to the current form of the law, the assistance solutions could benefit people who do not need support at all in repaying their mortgages, and the cost of financing this assistance would be shifted entirely to depositors and other bank's customers;

– **will allow to combat inflation** – because the solutions being processed in the Parliament contradict the National Bank of Poland's anti-inflationary policy aimed at, among other things, limiting the amount of money in the economy;

– **will not undermine the stability and credibility of the Polish banking system** – because the repayment holiday legislation in its current form will mean an unprecedented burden on the banking sector, estimated by the National Bank of Poland at up to PLN 20 billion, which will push some banks into very bad shape and make it impossible for the sector to continue financing the Polish economy.

The appeal is deeply justified by the social sentiments. According to public opinion polls, as many as **66% of Poles support the introduction of an income criterion** in the Repayment Holiday Law in order to provide assistance only to people in distress. In contrast, 57% of respondents are concerned that repayment holiday will increase inflation¹.

Existing forms of support for borrowers

The banking sector has had a package of solutions that effectively support borrowers in financial distress. The primary instrument of assistance is **the Borrower Support Fund**, aimed at borrowers with actual difficulties in repaying their mortgages. The banking sector invariably declares further readiness to improve this instrument, while at the same time hoping that the government will stop solutions that are socially unjust and detrimental to the banking sector, as well as the entire Polish economy.

It is also possible to use other solutions provided, among others, in the Banking Law and concerning, for example, changes in the terms or dates of loan repayment specified in the agreement. This is an instrument available to borrowers whose assessment of the financial or economic standing actually indicates the need for repayment relief.

President of the Polish Bank Association

Krzysztof Pietraszkiewicz

Vice-President of the Polish Bank Association

Tadeusz Białek

Vice-President of the Polish Bank Association

Włodzimierz Kiciński

Chairman of the Section of Medium-Sized Banks and
Branches of Credit Institutions

Maciej Semeniuk

Chairman of the Section of Large Banks

Brunon Bartkiewicz

Chairman of the Section of
Cooperative and Association Banks

Bartosz Kublik

¹ Minds&Roses survey, conducted on behalf of the Warsaw Institute of Banking, on a representative sample of N = 1000 Polish residents aged 15 and over on 30.05-06.06.2022.