



Polish Bank Association

Conference

Developing Secondary Mortgage Markets in Southeast Europe

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Activities of the Polish Bank Association are concentrated in the following areas:

- Representation of the interests of the banking community to the public and authorities
- Standardisation and development of inter bank infrastructure
- HR development
- Integration for Poland with EU
- Modernisation of banks, especially in the area of payment system data collecting and processing



PBA Activities 1990 - 2002

PBA together with the banks-member established:

- System for Inter Bank Economic Information - Reserved Documents (MIG DZ)
- KIR S.A. (National Clearing House)
- Telbank (Banking Telecommunications Enterprise)
- Polcard (Interbank Card Operator)
- Centrast (The Centre of Trust and Certification)
- Rating Agency (Central European Centre for Rating and Analysis)
- Bank Register
- Credit Information Bureau



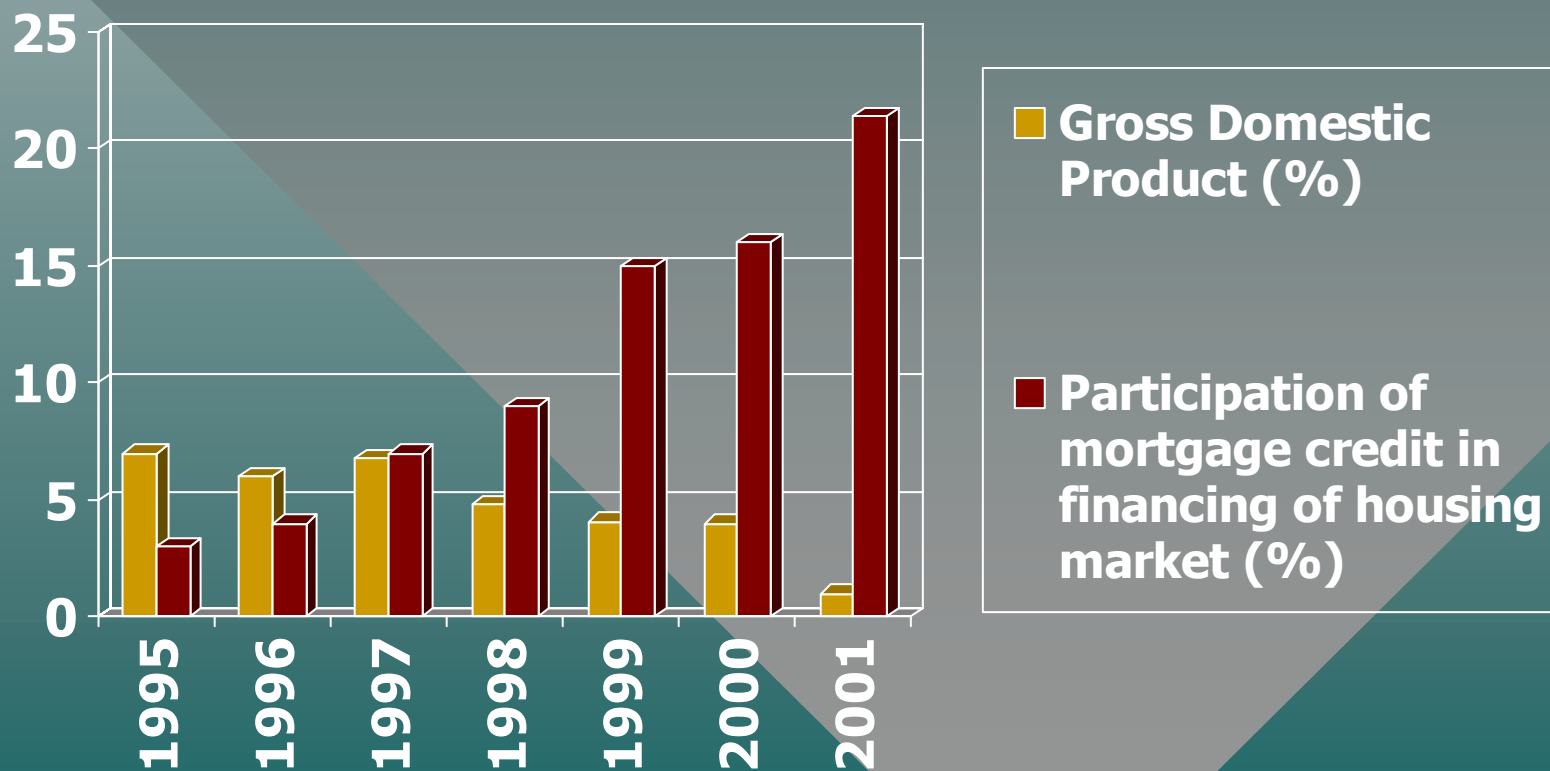
Situation of Polish Mortgage Market 1/3

In Poland there are 69 commercial banks and 663 cooperative ones. There are 5 licensed mortgage banks and four of them are operational. Over 30 banks offer housing credits. In the December 2001 total assets of the banking sector were 451,2 billion PLN (over 100 billion USD) and the own funds of commercial banks were 35,9 billion PLN (about 9 billion USD)

In June 2002 the market for flat mortgages was over 16 billion PLN (4 billion USD)

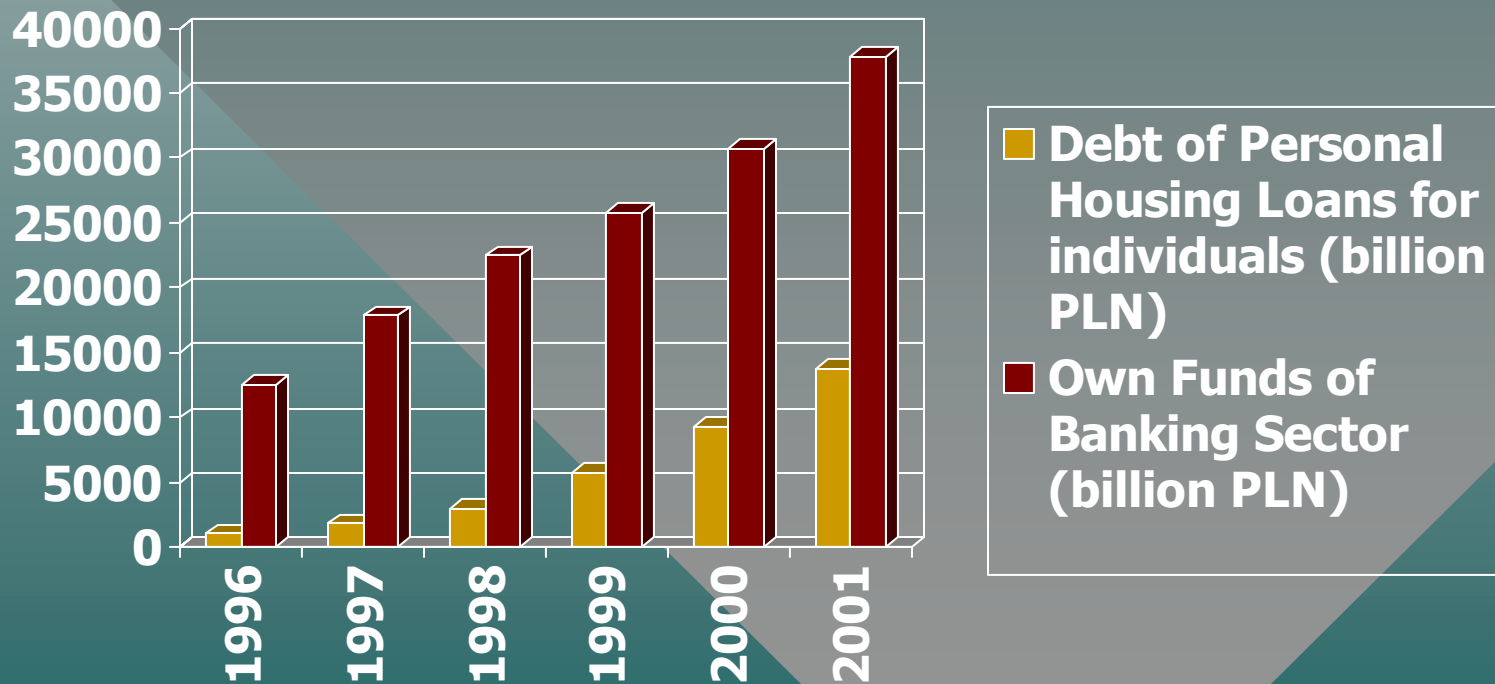


Situation of Polish Mortgage Market 2/3





Situation of Polish Mortgage Market 3/3





PBA is involved in developing the mortgage banking and real estate market and elimination of barriers of financing mortgages in Poland. To realise its statutory goals PBA established the *Committee for the Financing of Housing Construction* which cooperates with:

- government
- banking supervision
- banks and other institutions



The main goals of the Committee are realised in the following areas:

- Legal
- Organisational
- Educational



Legal area

- Mortgage
- improvement of the position of creditor
- mortgage register
- risk management
- Legal act on mortgage bonds and mortgage banks
- standardisation agreements and proceedings



Organisational area

- mortgage valuation
- standardisation
- mortgage register
- mortgage data base
- Banking Mortgage Loans Information System



Educational area

- education of bankers and customers
- valuation
- risk management
- bussiness
 - economical
 - commercial real estate



PBA Projects

- Credit Information Bureau
- Corporate Information Bureau
- Mortgages and Transaction Prices Register



Credit Information Bureau

The Bureau was established in response to the growing need of the banking sector for information.

The first credit report was sold in February 2001. The database on individuals covers about 12 million persons. Up to date in total, about 3,7 million credit reports have been sold. According to the Bureau, about 15 thousand credit reports are delivered every day.

Development Plans:

- credit scoring system
- expansion of the present database – small and medium enterprises.
- an anti-fraud system development



Corporate Information Bureau

The Bureau will offer reports on persons with delayed payment obligations.

Other databases:

- PESEL (Reference Data Base of Physical Persons)
- Banking Register
- System for Inter Bank Economic Information Reserved Documents MIG – DZ
- Credit Information Bureau
- Regon (National Official Register of the Nationalised Industries Units)



Mortgages and Transaction Prices Register

In response to the need of the growing banking mortgage sector for information on mortgage value. PBA plans to establish Mortgages and Transactional Prices Register.

- Obligation by Banking Supervision, Ministry of Finance according to new regulations of Basel Committee and EU and new methods of bank portfolio management
- lower operation costs and possibility to offer cheaper products
- stability and safety of mortgage transactions



Near Future

- Establishing of Secondary Mortgage Market
- Introduction and development of products: loan insurance, securitisation products
- Electronic platform for:
 - mortgage bonds
 - bonds secured by mortgage



Incentives for development of mortgage market 1/2

- standardisation of products
- providing banks with information about the market
 - identification of trends
 - prices
- cheaper turnover of instruments on the market
- improvement of quality of real estate valuation
- better effectiveness of mortgage courts and registers



Incentives for development of mortgage market 2/2

- reliable information about
 - customers
 - market
- cooperation of market participants with Banking Supervision and Central Bank
- Staff education



Polish Bank Association

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