| FO | REWORD | 4 |
|-----------------------|--|----|
| l. | DECISIONS AND ASSESSMENT OF RISKS TO FINANCIAL STABILITY | 5 |
| II. | THE REAL ECONOMY AND FINANCIAL MARKETS | 7 |
| | II.1 The macroeconomic and financial environment | 7 |
| | BOX 1: The housing stock in the Czech Republic | 13 |
| | II.2 The non-financial sector | 19 |
| III. | THE FINANCIAL SECTOR | 25 |
| | III.1 Developments in the financial sector | 25 |
| | III.2 Banking institutions | 25 |
| | III.3 Non-bank financial corporations | 33 |
| | III.4 Macro stress test of the banking sector | 36 |
| | BOX 2: Transition risks associated with decarbonisation | 37 |
| IV. | MACROPRUDENTIAL POLICY | 45 |
| | IV.1 The CNB's macroprudential policy instruments | 45 |
| | IV.2 Structural capital buffers | 47 |
| | IV.3 The countercyclical capital buffer | 48 |
| | IV.4 Credit instruments and risks associated with markets in loans secured by property | 51 |
| | BOX 3: Forecasting delinquent loans | 56 |
| V. | CHARTBOOK | 62 |
| GLOSSARY | | 75 |
| ABBREVIATIONS | | 78 |
| COUNTRY ABBREVIATIONS | | 80 |

the common the common the second by the common the common terms of the common terms of