

Macroprudential Communication Czech Republic

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Ex-Czech National Bank (2001-2012) and ex-JVI (2012-2020)

SUERF Workshop, NBS Bratislava, June 5, 2025

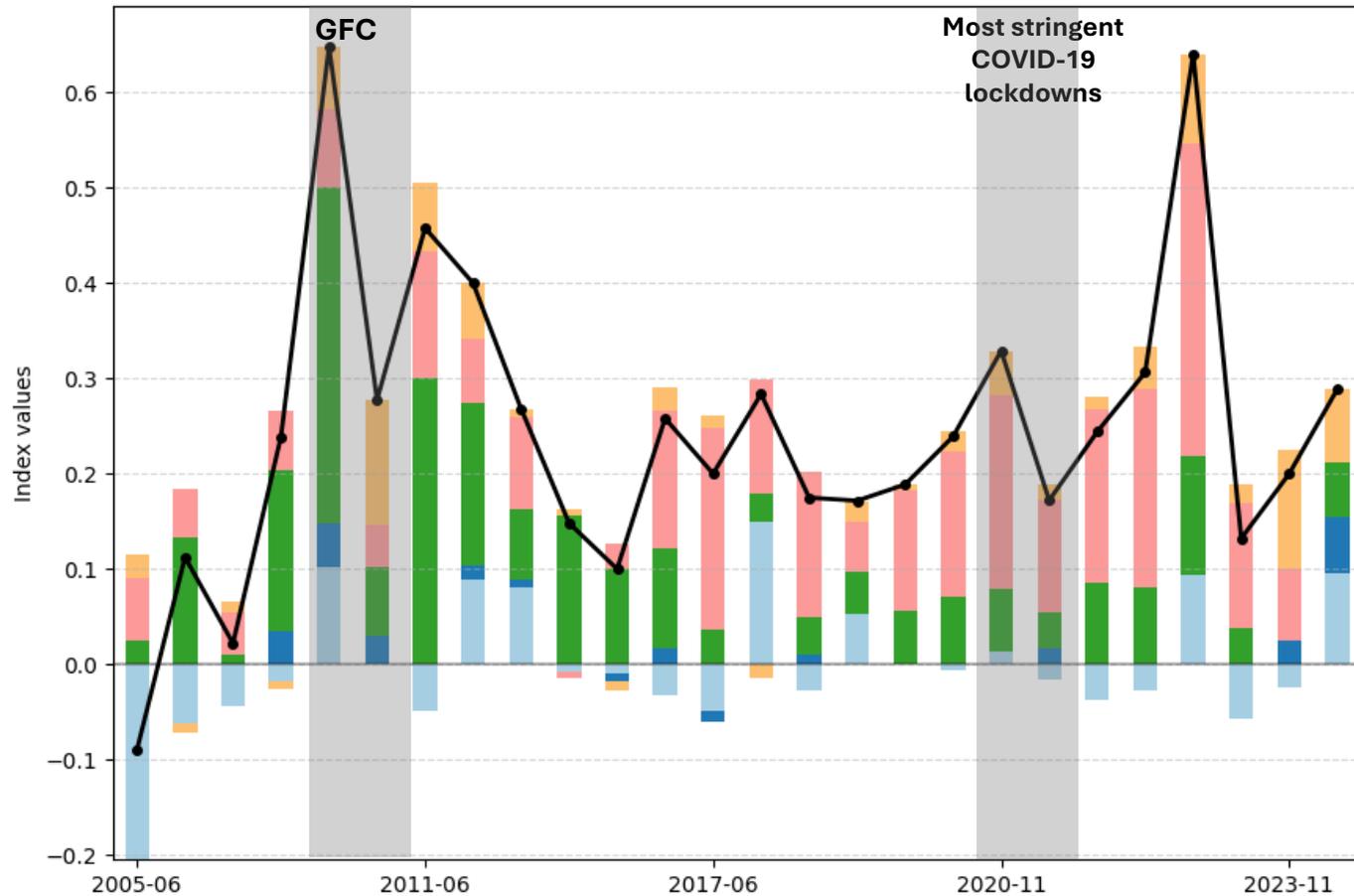
Channels of CNB macropru communication

- **FSRs** (until 2017 annually)
- **Website** with news and additional analytical information (stress test methodologies, strategic documents on macropru, macropru decisions by CNB board, finstap-related analytical and research papers, data such as bank lending survey, links to ESRB web)
- **Press releases** (at the occasion of new FSR), speeches, seminars for journalists, news in media by CNB management and staff
- **CNBlog, CNBvlog, CNBpodcasts and social media** posts (mostly dominated by monetary policy issues)

Focus of reports such as FSRs driven by

Data availability	<ul style="list-style-type: none">• Banks' situation (solvency, liquidity, resilience)• Commercial versus residential real estate
Current developments in the country and abroad	<ul style="list-style-type: none">• Rising household debt and house prices• Government debt risks (Greek scenario)
Other central bank functions and reports	<ul style="list-style-type: none">• Monetary policy (Inflation/MP report)• Supervision of banks and other FIs
Preference of top management	<ul style="list-style-type: none">• Size of the report• Standardized versus flexible structure
Global topics	<ul style="list-style-type: none">• ESCB, FSB, Basel meetings, IMF FSAPs/Art 4
Target audience	<ul style="list-style-type: none">• Investors, rating agencies, IFIs• Domestic audience

Comments on the text analysis of CNB FSRs

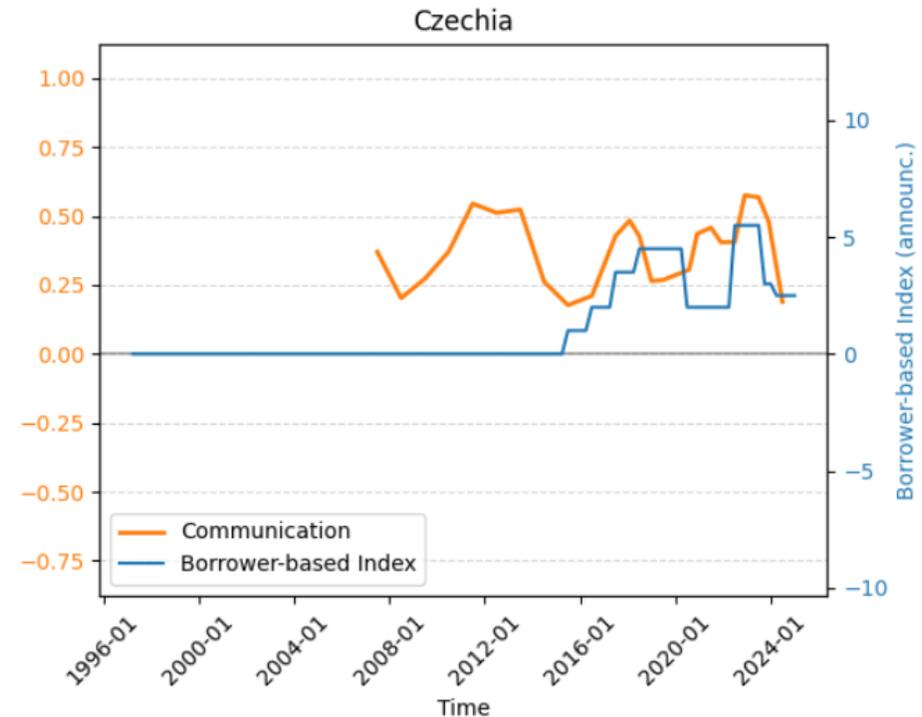
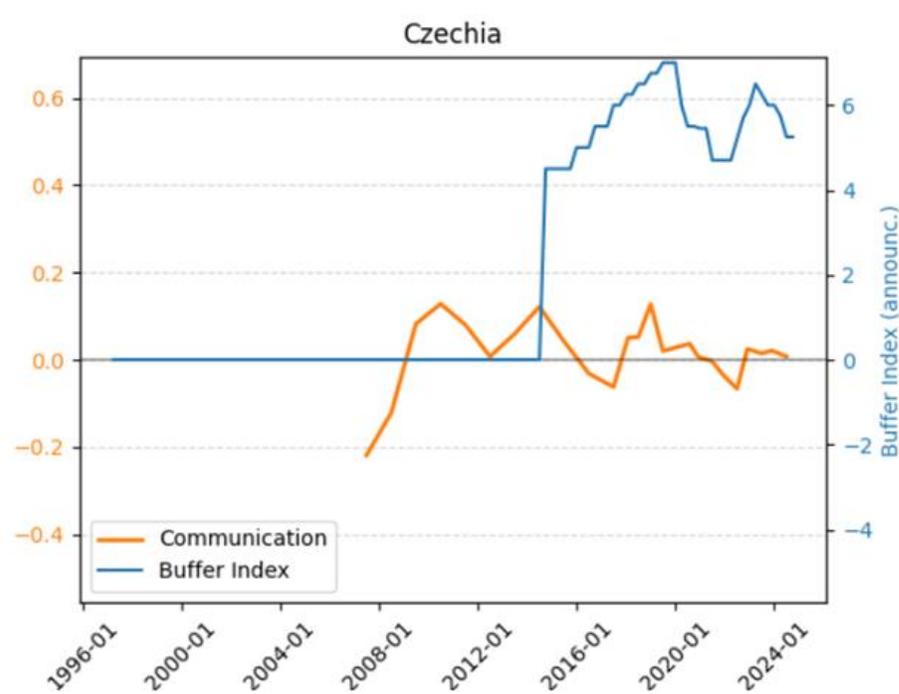


- FS communication: concern-oriented by definition (worst case scenarios)
- GFC: new FS department proving its importance
- Banks always well capitalized, liquid and profitable (and difficult to bring down in stress tests)

Peer effects among central banks in FS analysis and communication

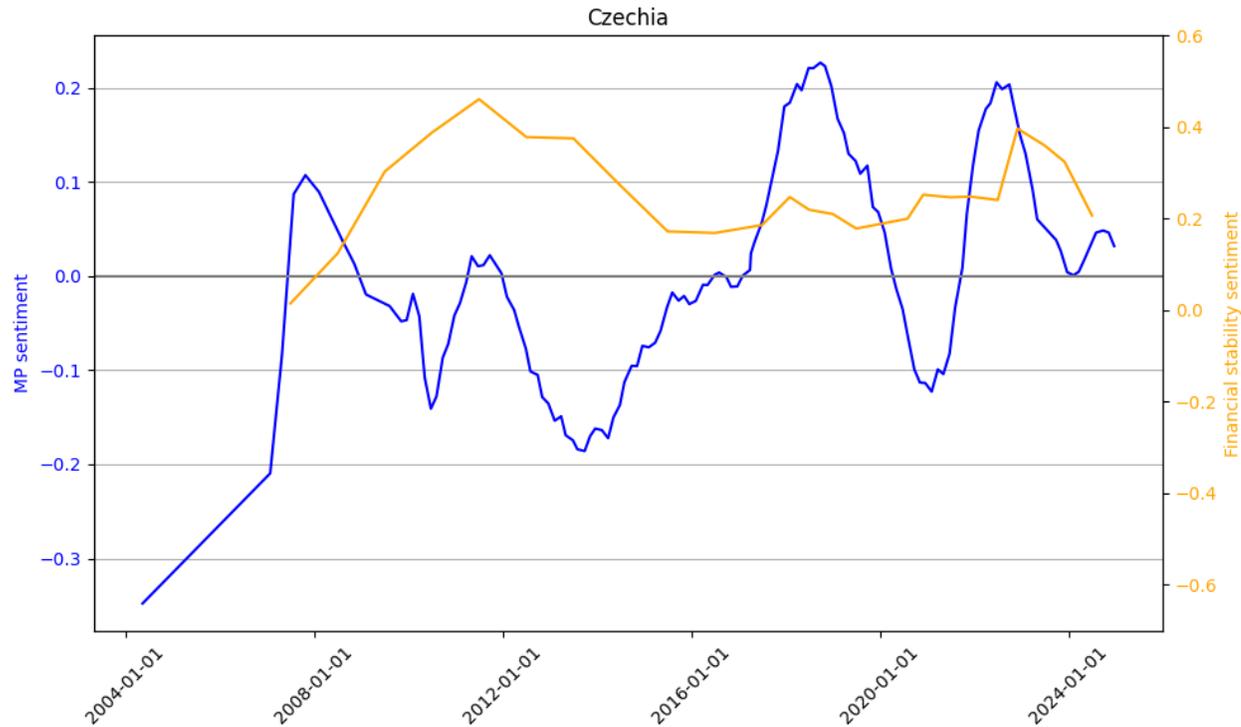
- FSDs often copy best practices from other CB's FSDs (or international organizations such as IMF) in analyses and communication
 - Topical sentences to start paragraphs in FSRs
 - Press releases and executive summaries
 - Seminars for journalists, blogs (CNBlog), articles in media, speeches
- Supported by interaction among the CBs analyzed
 - in ESCB committees and groups
 - Regular NBS seminar on financial stability for V4+Slovenia and Austria (similar issues and challenges in V4 countries)

Macropru communication versus action



- Learning to communicate and act within a **financial cycle**
 - FSRs often annual (CNB until 2018) or semi-annual
 - CCyB decisions since 2013 quarterly, internal decision making varied between quarterly and semi-annual
 - capital measures understood as complements to BBM, tackling the same risks from rising household leverage and house prices

Macropru versus monetary policy



- A nice example of a difference between the financial and business cycle
- CNB's monetary policy analytical framework (FPAS) and MP communication one of the most developed worldwide
- MP communication strictly focused on inflation and risk for deviations from target
- In 2013-2017 influenced by a MP experiment (exchange rate commitment)