

Introduction

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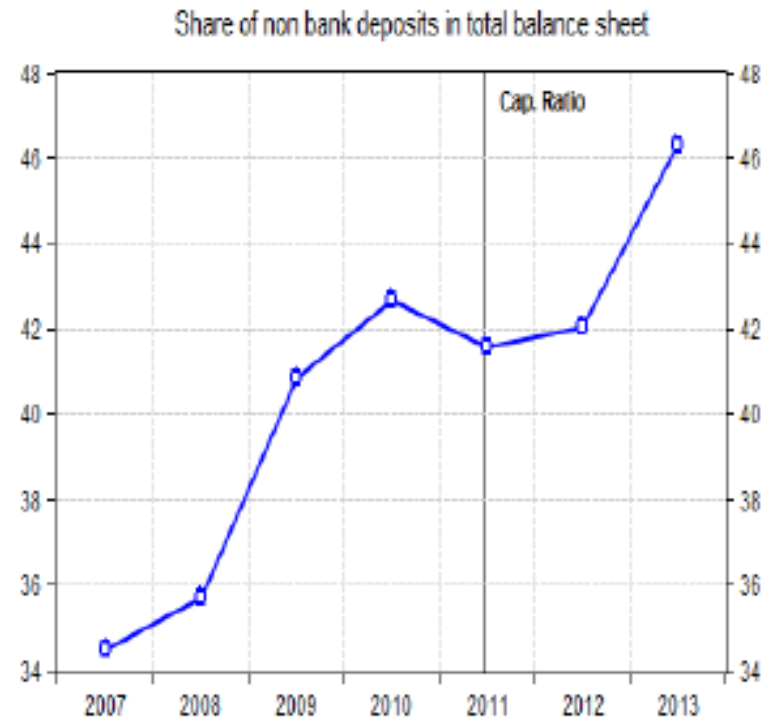
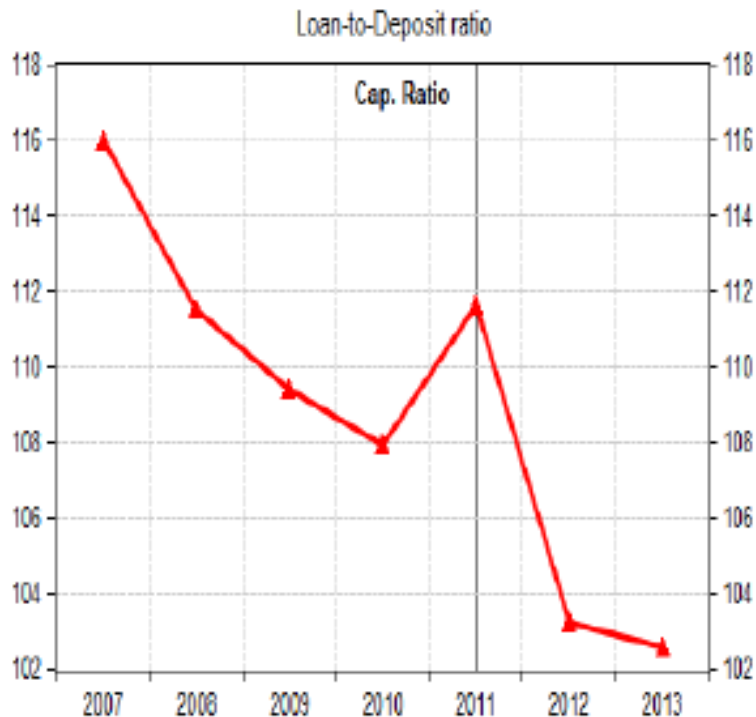
24 March 2016, House of Finance Day
ACPR Chair "Regulation and Systemic Risk"

Introduction : role of research at ACPR

- Contributes to supervision activity, from a cross sectional and horizontal perspective, notably to the definition of supervision priorities
- Analytical capacities to calibrate policy instruments at micro and macro-prudential level
- Data intensive

A few stylized facts : changes in banks' balance sheet structure

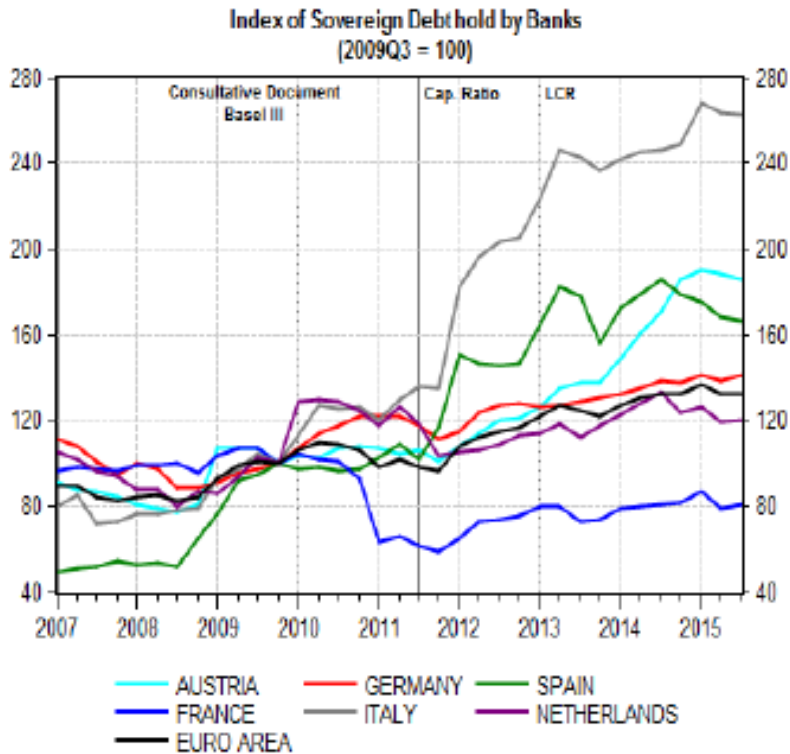
In the last few years, deposits increase, more than loans



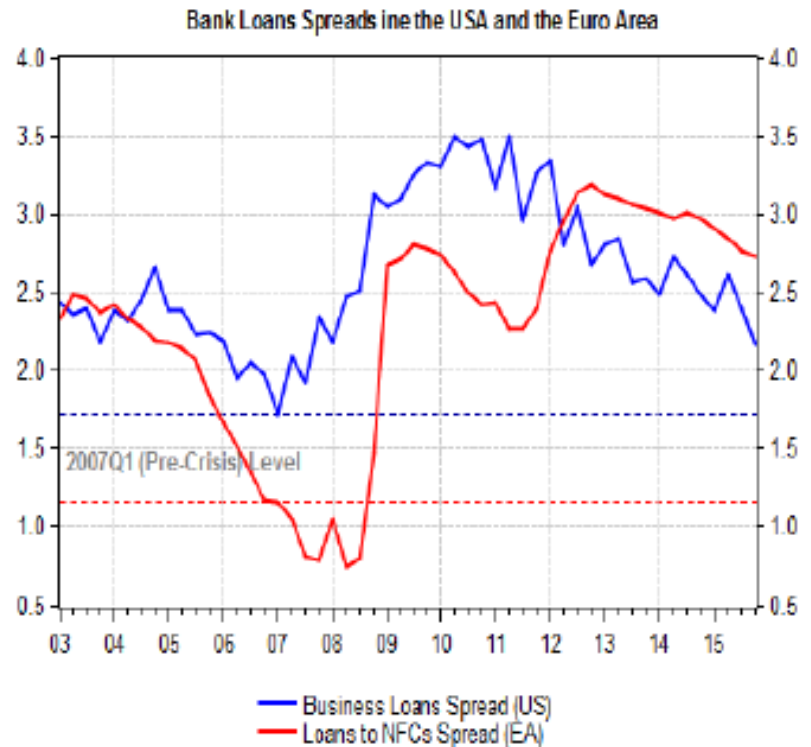
Source ECB, euro area banks

A few stylized facts : sovereigns and non financial companies

Holdings of High Quality Liquid Assets by banks increased significantly

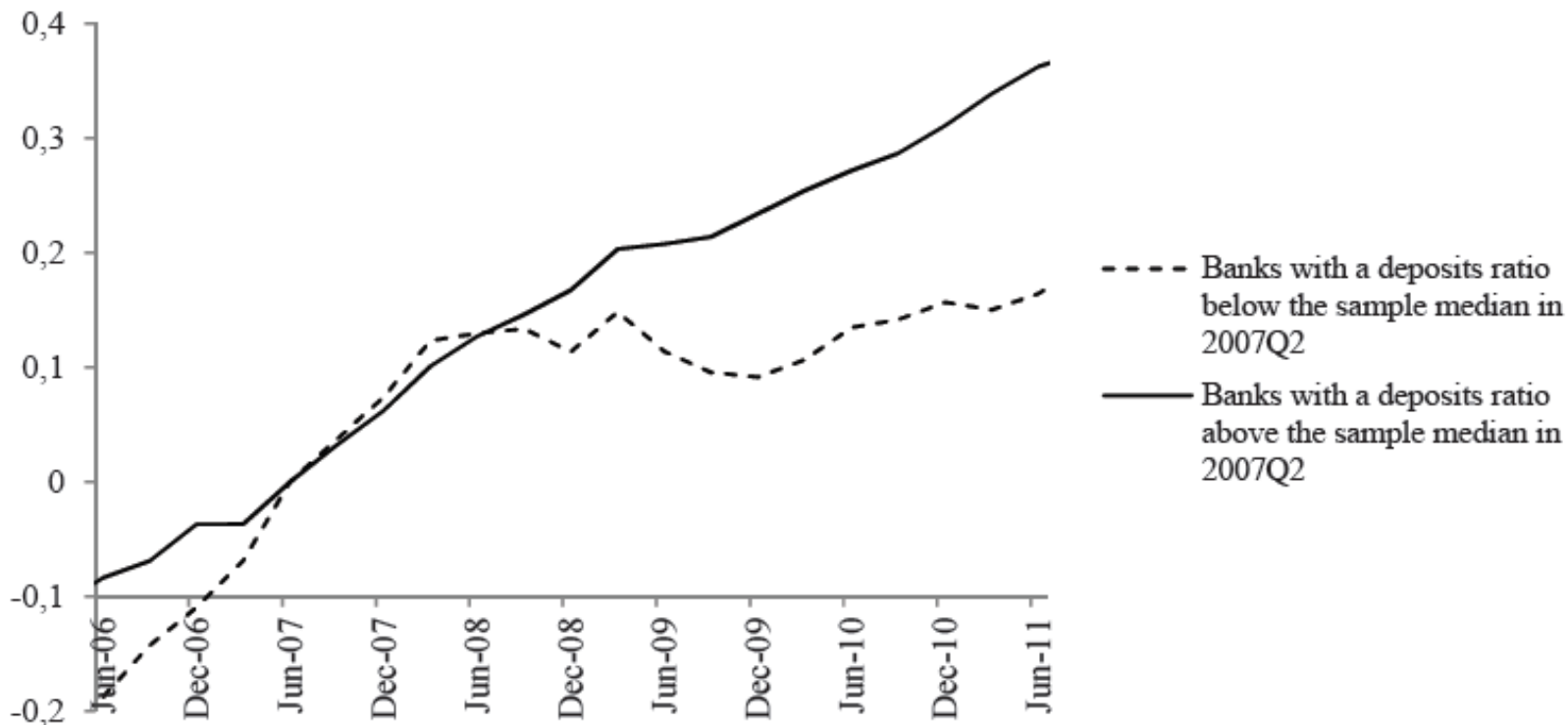


Post-crisis corporate lending spreads are above the level reached before 2008



A few stylized facts : liquidity matters

Fig. 2: Credit exposure of banks to non-financial firms
(billion euros, deviation from June 2007 level)



Source : Pessarossi and Vinas (2015)

1. Assessing the Impact of regulation

- Overall impact on credit distribution to NFCs

Fraisse, Lé, Thesmar (2015) “The Real Effect of Bank Capital Requirements” [https://acpr.banque-](https://acpr.banque-france.fr/fileadmin/user_upload/acp/publications/Debats_economiques_et_financiers/20130802-The-Real-Effects-of-Bank-Capital-Requirements.pdf)

[france.fr/fileadmin/user_upload/acp/publications/Debats_economiques_et_financiers/20130802-The-Real-Effects-of-Bank-Capital-Requirements.pdf](https://acpr.banque-france.fr/fileadmin/user_upload/acp/publications/Debats_economiques_et_financiers/20130802-The-Real-Effects-of-Bank-Capital-Requirements.pdf)

- Real estate

Labonne, Welter-Nicols, 2015 Cheap Credit, Unaffordable Houses? [https://acpr.banque-](https://acpr.banque-france.fr/fileadmin/user_upload/acp/publications/Debats_economiques_et_financiers/20152112_cheap-credit-unaffordable-houses.pdf)

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- Consistency of regulatory requirements

- How to reach all Basel requirements at the same time?

(Birn, Dietsch, Durant, 2016, forthcoming)

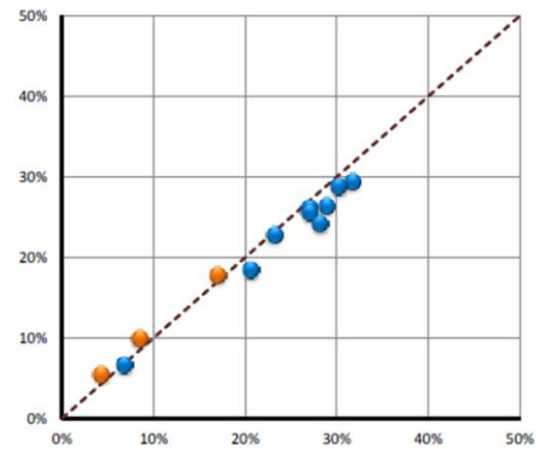
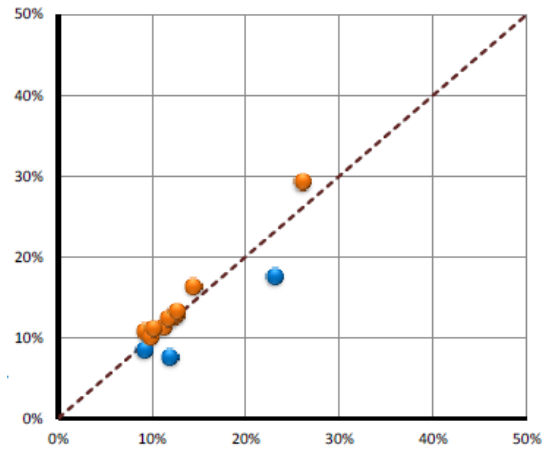
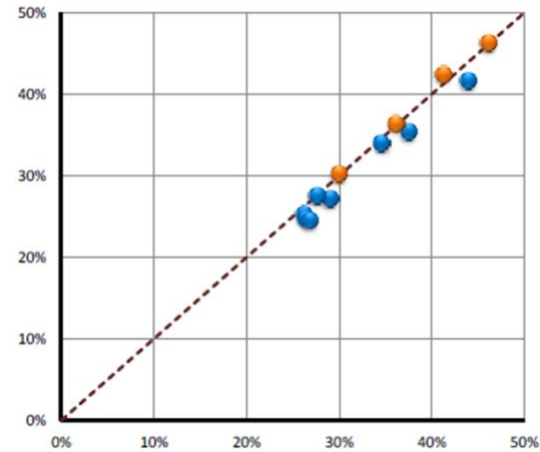
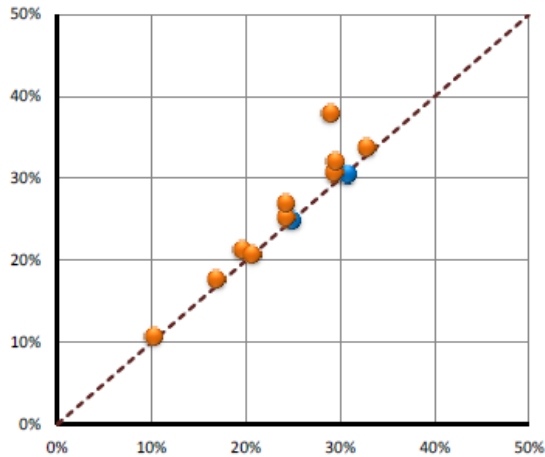
- A DSGE model to assess the post crisis regulation of universal banks (de Bandt, Chahad, 2016, forthcoming)

- How different are the capital requirement from the economic capital ? (Dietsch, Duellman, Fraisse, Koziol, 2016 forthcoming)

2. Low interest environment and higher risk taking?

Changes in the portfolio allocation by insurers

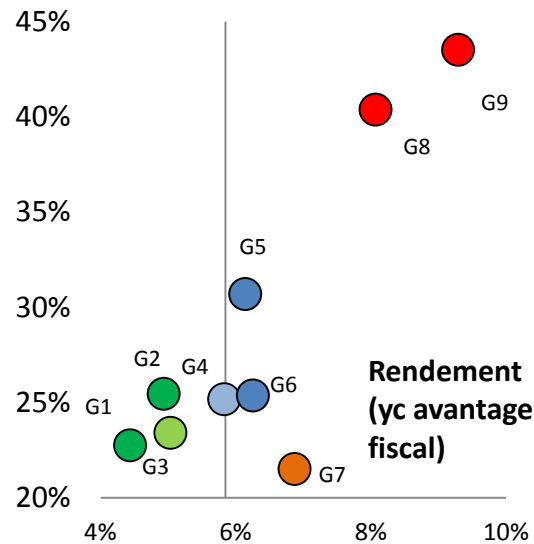
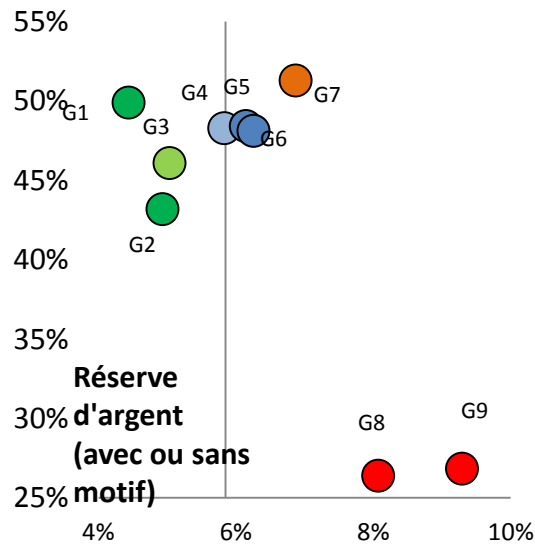
Share of exposures in total portfolio ● increase wrt previous year ● decrease



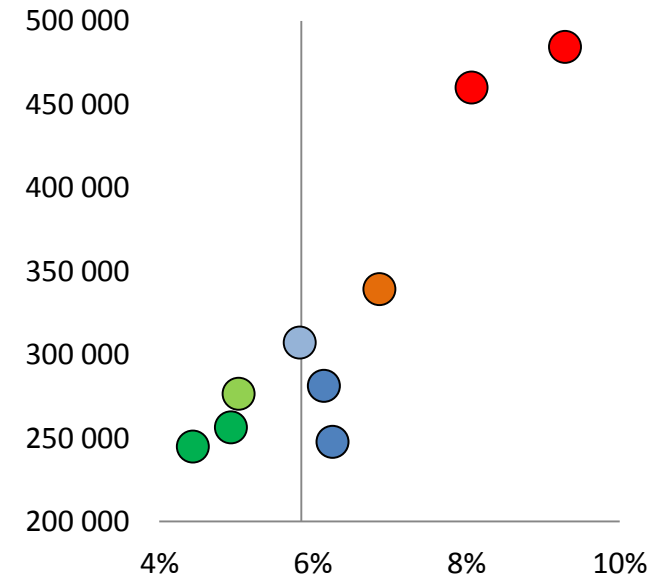
Perimeter: 12 largest French life insurers – Source: quarterly reporting

Smaller lapse rates for life insurers specialised in less well-off customers

- Motivations principales de détention différentes pour les assurés des différents groupes: réserve d'argent pour G1 à G7; rendement pour G8 et G9



- Taux de rachat (abscisse) et patrimoine net médian (ordonnée, en euros)



ACPR, regulatory reporting and Insee « 2010 Consumer Finance Survey », https://acpr.banque-france.fr/fileadmin/user_upload/acp/publications/analyses-syntheses/201603_AS59-Patrimoine-et-rachat.pdf

3. Analytical tools (1/2)

□ Stress testing models

MERCURE : A Macroprudential Stress Testing Model developed at the ACPR (2015)

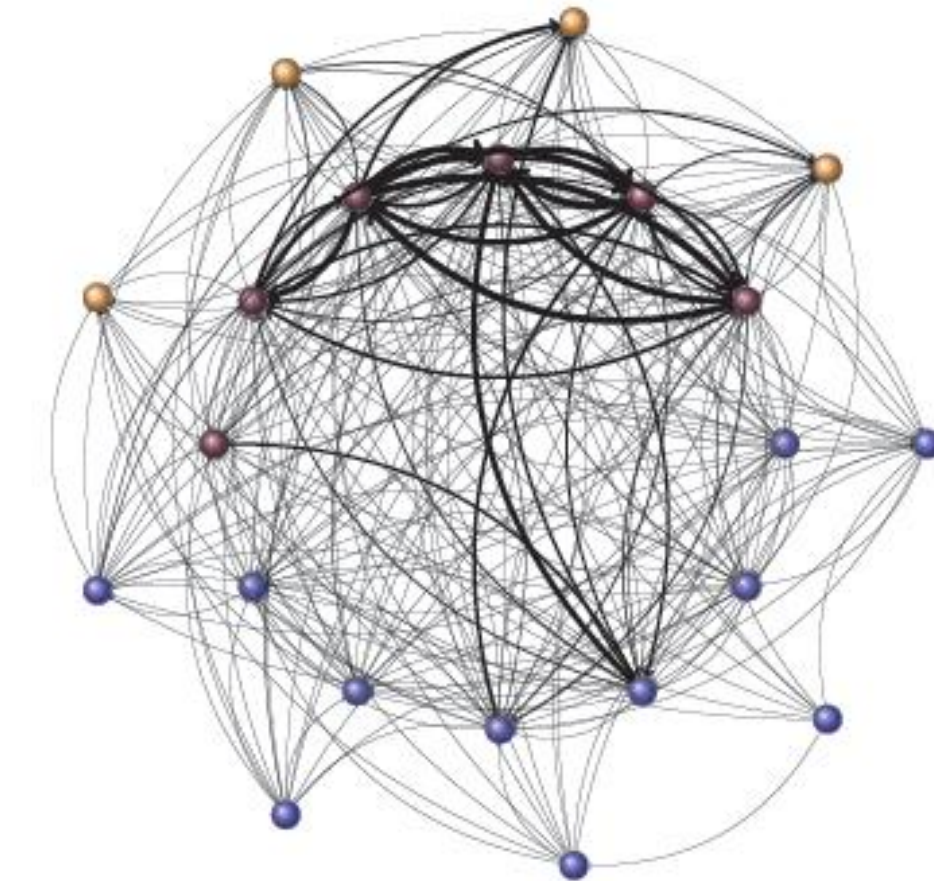
https://acpr.banque-france.fr/fileadmin/user_upload/acp/publications/Debats_economiques_et_financiers/20151012-DEF-Mercure.pdf

□ Distribution strategy by life insurers

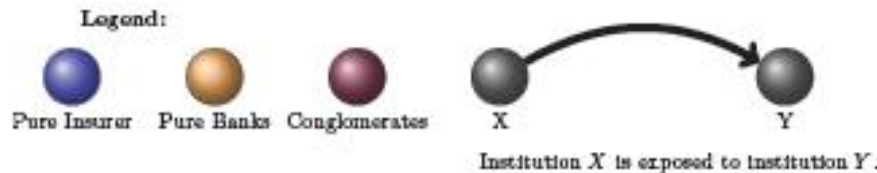
Main determinants of profit sharing by insurers, Borel-Mathurin, Darpeix, Guibert, Loisel (2015)

https://acpr.banque-france.fr/fileadmin/user_upload/acp/publications/Debats_economiques_et_financiers/20150804-Main-determinants-of-profit-sharing-policy-in-the-French-life-insurance_industry.pdf

3. Analytical Tools (2/2): bank and insurance networks



Source: Hauton and Héam, 2015



Conclusion : new research avenues

- ❑ **Backtesting Stress tests exercices (EBA, ECB, EIOPA)**
- ❑ **Use of the ST tools for macroprudential and microprudential calibration of regulatory instruments**
- ❑ **Profitability of European banks and business models**
- ❑ **Impact of technological changes (Fin Tech)**
- ❑ **Impact of Solvency II on asset allocations**