

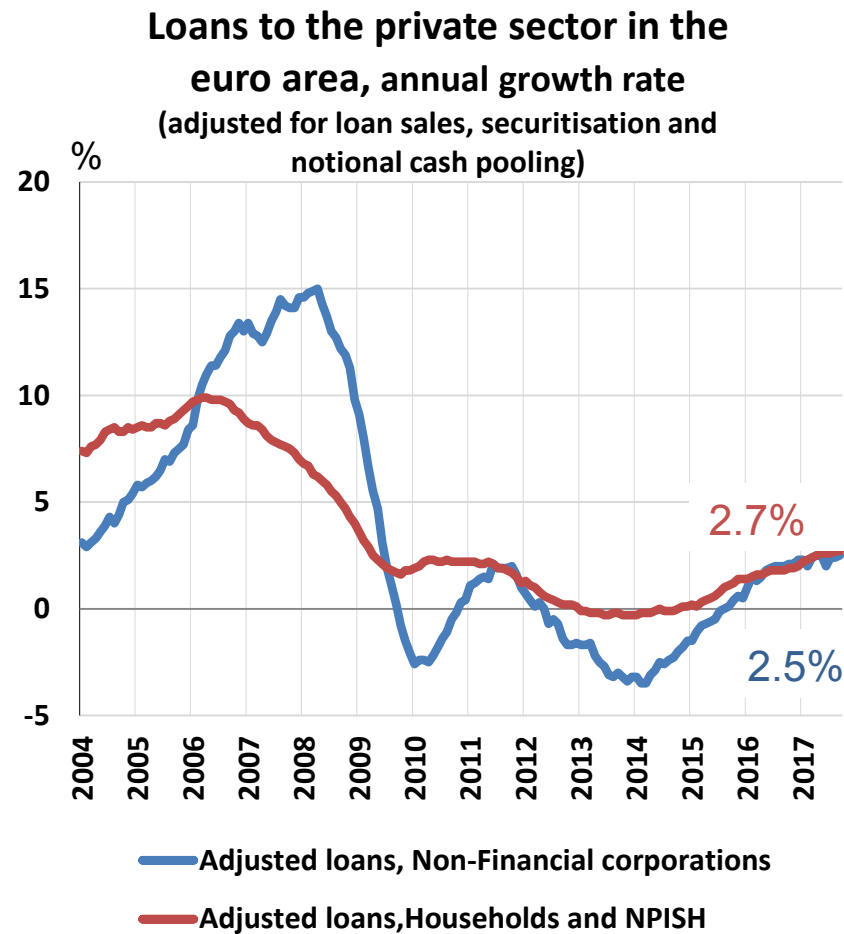
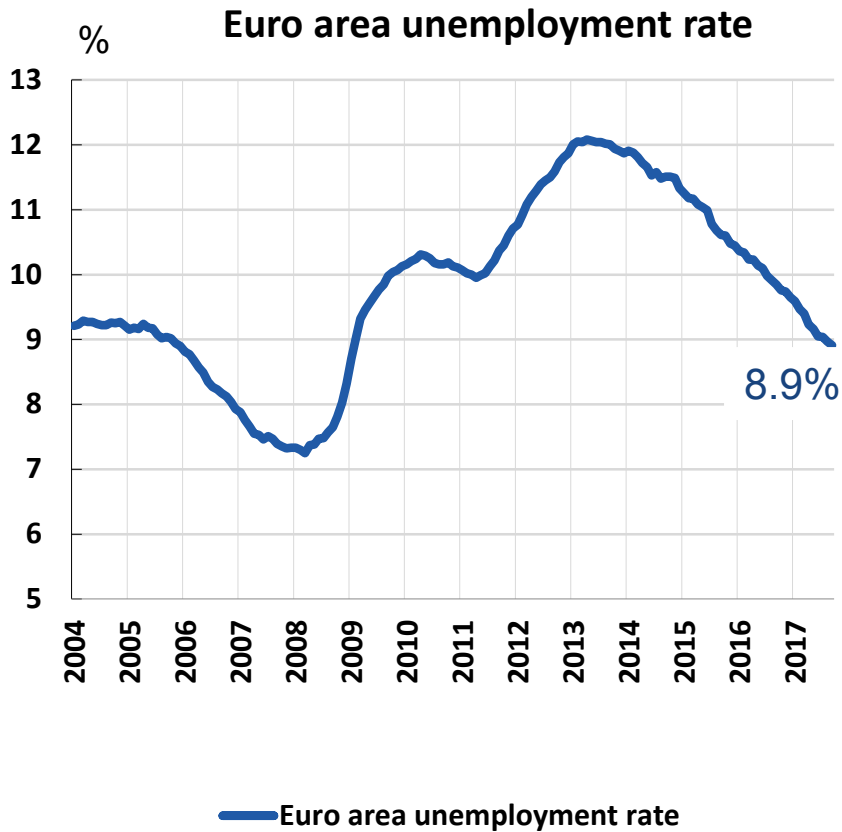


***“MONITORING FINANCIAL  
STABILITY ALONG ACTIVE  
MONETARY POLICIES”***

**LONDON BUSINESS SCHOOL**

FRANÇOIS VILLEROY DE GALHAU  
GOVERNOR OF THE BANQUE DE FRANCE

# A SNAPSHOT OF THE EURO AREA RECOVERY



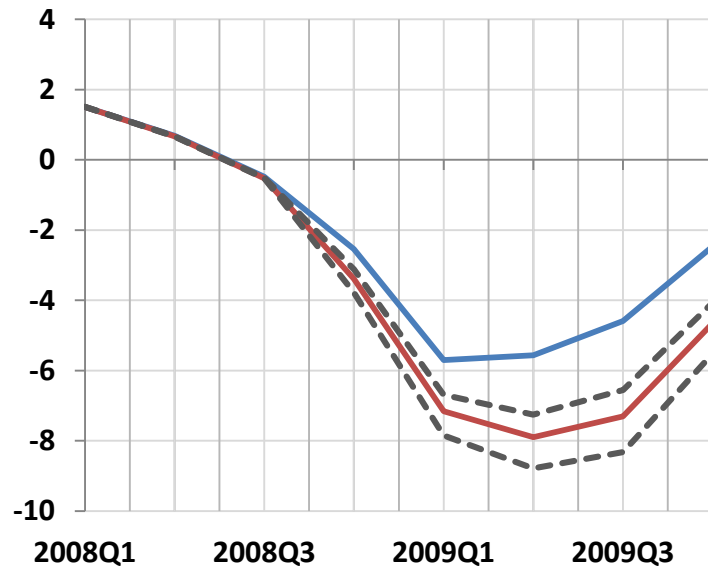
Source: ECB



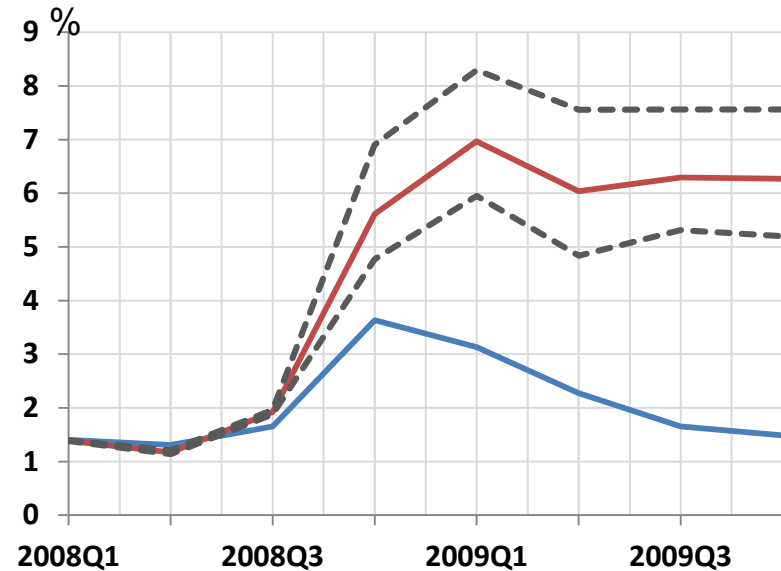
# COUNTERFACTUAL ANALYSIS OF THE DYNAMIC EFFECTS OF THE ENHANCED CREDIT SUPPORT

- The Enhanced Credit Support averted a major credit crunch and mitigated the recession

**Euro Area GDP (annualised year on year rate of change)**



**Non-Financial Corporations Credit Spread (relative to German government bonds)**

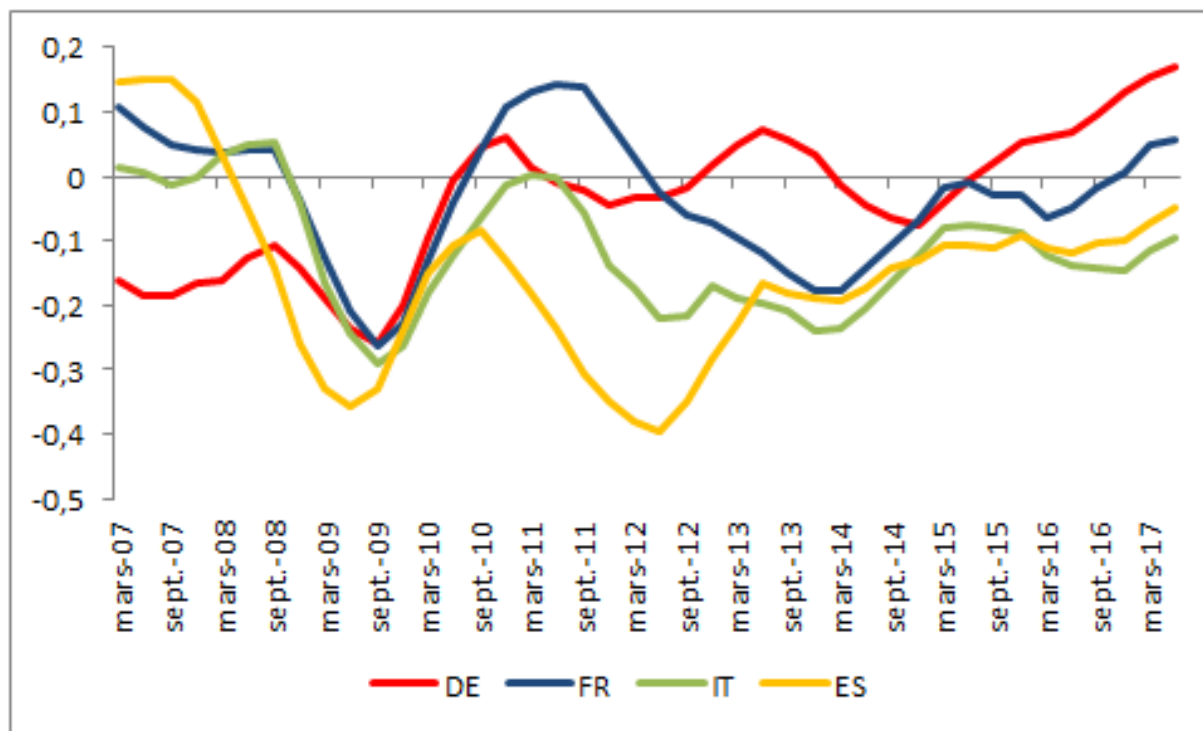


Source: Cahn et al. (2017) and ECB

Actual data, Counterfactual (absent credit easing policy), 90% confidence bands

# FINANCIAL ACCELERATION IN FRANCE

- Financial cycle seems to be in its upwards trend

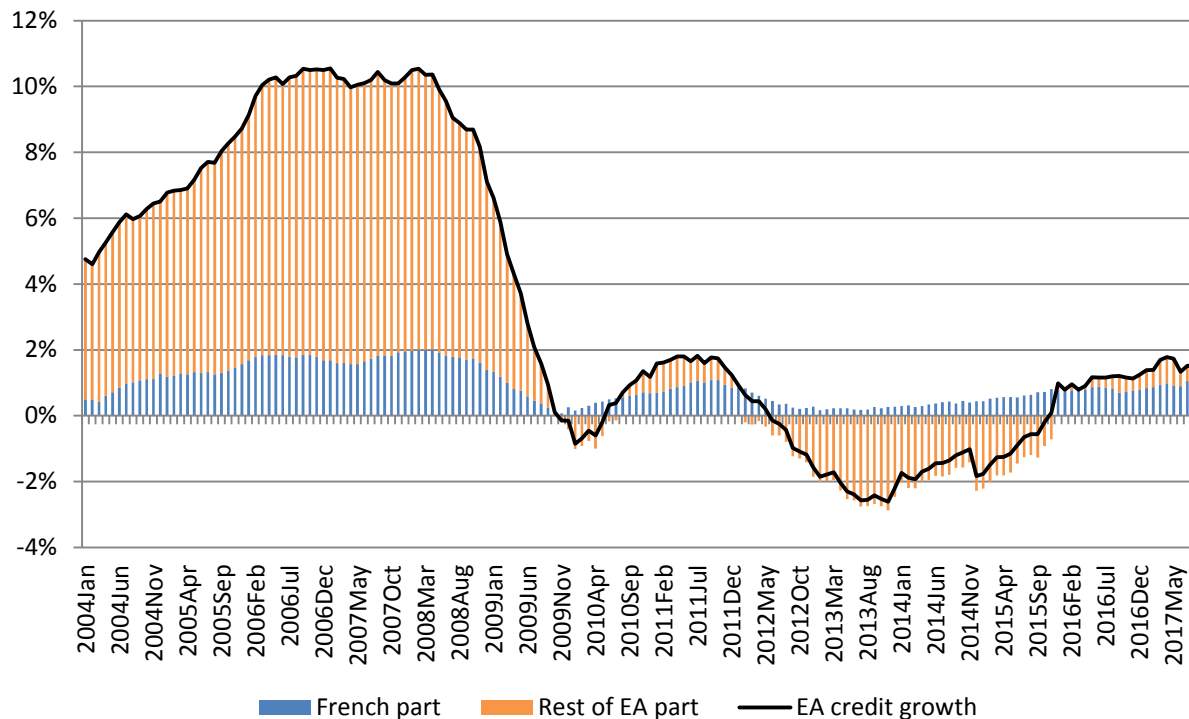


Source: Banque de France



# THE HCSF CURRENT SURVEILLANCE OF CREDIT DYNAMICS

- France accounts for a significant part of the Euro area growth in adjusted loans to the non-financial private sector.



Source : ECB, Banque de France calculation



**THANK YOU  
FOR YOUR ATTENTION**

FRANÇOIS VILLEROY DE GALHAU