



Paris, 25 April 2018

**Publication of the 22nd edition of the
Financial Stability Review
“Non-bank finance: trends and challenges”**

Today, the Banque de France publishes the 2018 edition of its Financial Stability Review (FSR), entitled "**Non-bank finance: trends and challenges**". This thematic publication aims at fostering high-level debate between regulators, academics and market participants on issues related to financial stability. This year, the 22nd edition of the FSR addresses the issue of shadow banking. Among the subjects discussed: How to define and map the shadow banking system? What are the latest trends and changes? Is the regulatory response sufficient in the face of the risks posed by shadow banking?

The 2007-2008 global financial crisis brought to light the prominent role played by shadow banking, a financial intermediation system that had emerged outside the traditional banking system and that had been held partly responsible for the rise in financial imbalances.

Since then, non-bank finance has continued to expand, driven in particular by growth in asset management and the arrival, or return, of non-bank entities to areas of activity which had traditionally been the preserve of banks. Meanwhile, the Financial Stability Board (FSB) has contributed to improving the mapping, monitoring and supervision of non-bank finance, with a view to transforming shadow banking into resilient market-based finance, as well as to increasing the resilience of the financial system as a whole.

Three issues must be addressed as a priority: deepening our knowledge of the non-bank financial system and improving its transparency; measuring and testing the interconnections across the entire financial system; drawing up a microprudential and macroprudential regulatory framework suited to the non-banking sector.

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In order to contribute to the debate, the publication includes a collection of articles from representatives of international institutions (T. Adrian - International Monetary Fund, D. Domanski - Financial Stability Board, G. Turner - Bank for International Settlements), central banks (P. Lane - Central Bank of Ireland, K. Knot - De Nederlandsche Bank), regulators and supervisors (C. Phillips - US Treasury Department, R. Ophèle - Autorité des marchés financiers), private financial institutions (L. Fink - Blackrock, P. Zhao - Citadel Securities, P. Artus - Natixis) and academics (G. Gorton - Yale, R. Portes - London Business School).

About the Banque de France. The Banque de France is an independent institution with three core missions: monetary strategy, financial stability, and the provision of services to the economy. It contributes to the definition of euro area monetary policy and ensures its implementation in France. It supervises banks and insurance companies, and works to remove or reduce risks. It also offers a range of economic services to businesses and private individuals.

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