





**“The Banque de France  
is adapting, changing and  
providing support, as it works  
to serve the people of France”**

François Villeroy de Galhau  
Governor of the Banque de France

# THE BANQUE DE FRANCE IN 2022...

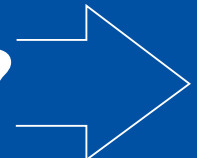
**105** permanent sites

**9,103** full-time equivalent employees



2022 was marked by the war in Ukraine and its impacts in Europe, which affected the wider economy and fuelled considerable uncertainty. Although barely out of the Covid crisis, France showed strong resilience, as growth reached 2.6% and the unemployment rate fell to 7.2%. However, France's government debt stood at 112% of GDP and inflation averaged 5.9%. In the face of this contrasting situation, and against a backdrop of environmental and social concerns,

## WHAT ACTION DID THE BANQUE DE FRANCE TAKE?



➔ **Increase in energy prices and spread of inflation to other sectors**

➔ **Acceleration in inflation**

- 5.9%, HICP inflation in France on an annual average basis
- 8.4%, HICP inflation in the euro area on an annual average basis

➔ **Resilient activity in France**

Sustained GDP growth in France, reaching 2.6% on an annual average basis

➔ **Policy normalisation: a forceful response to bring inflation back towards 2%**

**Securities purchase programmes halted**

- **in April** for the pandemic emergency purchase programme (PEPP)
- **in July** for the asset purchase programme (APP)
- **recalibration in October** of the conditions for targeted longer-term refinancing operations (TLTROs)

**Increase in policy rates**

- **On 21 July**, the Eurosystem officially stopped providing forward guidance on policy rates  
More responsive monetary policy, with decisions taken according to a meeting-by-meeting approach

- **July**: initial increase of 50 basis points (bps), or 0.5%

- **September**: 75 bps increase

- **November**: 75 bps increase

- **December**: 50 bps increase  
This raised the deposit facility rate to 2.00%

➔ **Normalisation of financing conditions**

**Increase in the cost of bank loans**

- to non-financial corporations  
December 2021: 1.3%  
December 2022: 3.2%

- to French households  
December 2021: 1.1%  
December 2022: 2.05%

➔ **War in Ukraine:** contribution of technical and operational expertise to prepare and implement financial sanctions against Russia

➔ **Energy crisis:** enhanced oversight of French participants' exposures to these markets

➔ **Cyber risk:** proactive role in implementing Europe's Digital Operational Resilience Act (DORA)

➔ **Uncertainty of the macroeconomic and financial environment:** banks and insurers are sound, but precautions are required

- 14.9%, solvency ratio (Common Equity Tier 1) of France's six main banking groups<sup>a)</sup>
- 250%, average solvency coverage ratio for supervised insurers<sup>b)</sup>

➔ **The crypto-asset market shrank by a factor of around three relative to its peak in November 2021:** USD 800 billion in capitalisation

➔ **European Union adopted its first crypto-asset regulation:** Markets in Crypto-Assets (MiCA) Regulation

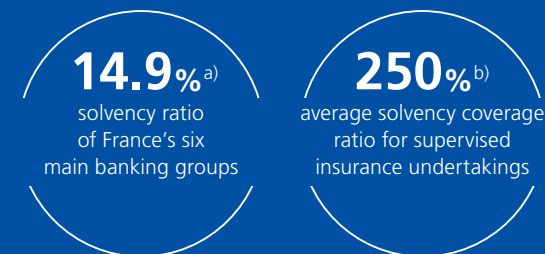
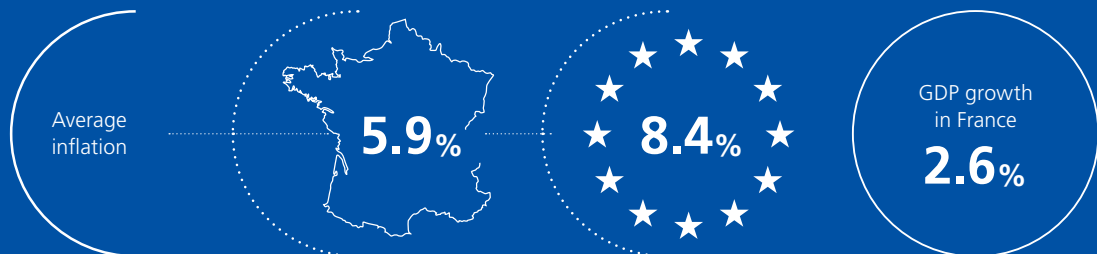
➔ **Continued work by the Eurosystem on a central bank digital currency (CBDC)**

➔ **The Banque de France and the ACPR are stepping up the attention paid to climate change-related risks**

- The exercise by the Single Supervisory Mechanism (SSM) underlined the need for banks to accelerate efforts to develop their climate stress testing frameworks
- The European Insurance and Occupational Pensions Authority (EIOPA) conducted its first climate stress test
- First supervisory work on environmental, social and governance (ESG) disclosures by financial institutions, in accordance with European and French obligations  
Goal of redirecting capital flows to sustainable economic activities by enhancing the disclosures provided to retail investors on the ESG characteristics of investment vehicles

➔ **Key inspections in 2022:**

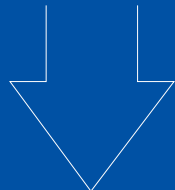
- Procedures used to market life insurance contracts
- Fees charged to retail investors
- Compliance with the cap on bank fees charged to customers for account-related incidents
- Freedom to choose loan insurance for housing loans
- Joint Unit with the *Autorité des marchés financiers* (AMF)
- *Assurance Banque Épargne Info Service* website: over 2 million pageviews
- More than 1,135 names of unauthorised websites or firms included on blacklists



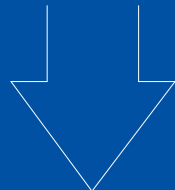
a) Provisional: final data available in July 2023.  
b) Provisional: final data available at end-April 2023.



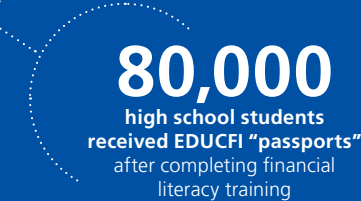
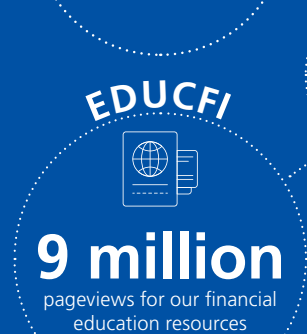
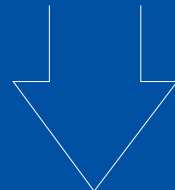
SUPPORT  
FOR BUSINESSES



PROTECTION OF FINANCIALLY  
VULNERABLE PEOPLE



MORE ACCESSIBLE  
COMMUNICATION



TO FIND OUT MORE ABOUT  
THE BANQUE DE FRANCE'S  
ACTIONS AND MISSIONS



**Talking cash:**  
**Banque de France podcasts**  
The #onparlecash podcasts provide insights into topical central banking issues, from green finance, debt and the security of payment instruments, to growth, the Eurosystem, housing loans and the ECB



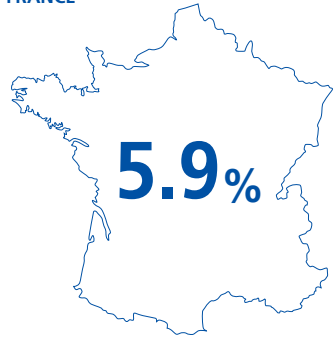
**The Banque de France Bulletin**  
The *Banque de France Bulletin* is a publication that aims to provide information to a wide range of audiences about the economic and financial topics monitored, addressed or researched by the central bank and to offer educational insights to enable everyone to form their own opinions

# MONETARY STRATEGY

## 2022 KEY FIGURES

### HICP (HARMONISED INDEX OF CONSUMER PRICES) INFLATION (annual average)

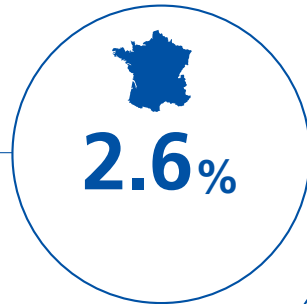
FRANCE



EURO AREA



### ECONOMIC GROWTH



### AVERAGE INTEREST RATE ON NEW HOUSING LOANS, IN DECEMBER



CENTRAL BANK  
POLICY RATE INCREASES

# NORMALISING MONETARY POLICY TO RESTORE PRICE STABILITY

In 2022, inflation accelerated sharply due to a combination of two key factors: post-Covid supply challenges and the war in Ukraine.

Prices rose by 5.9% in France over the year, which was less than the increase elsewhere in the euro area (8.4%). A global trend driven initially by energy prices, inflation spread to the wider domestic economy, as core inflation, which excludes food and energy, climbed to 3.9% in the euro area in 2022.

Fighting inflation and bringing it back towards 2% is the primary objective of the Banque de France's mandate. Accordingly, steps were taken to normalise monetary policy, with the gradual phase-out of unconventional support measures, including the discontinuation of net asset purchases under the PEPP and APP and the recalibration of targeted longer-term refinancing operations (TLTROs). Policy rates were increased four times as of July 2022.

Despite policy normalisation, economic activity held firm in 2022, as GDP expanded by 2.6%. After being exceptionally favourable since 2015, financing conditions moved closer to their historical averages: the average interest rate on new home loans stood at 2.05% in December 2022. However, corporate debt increased by approximately EUR 83 billion over the year.

Currency is taking new shapes: the Banque de France remains the number-one printer of banknotes, manufacturing over one billion notes; meanwhile, the investigation phase for a new digital euro is set to run until the end of 2023. A central bank digital currency could strengthen Europe's economic efficiency and strategic autonomy.

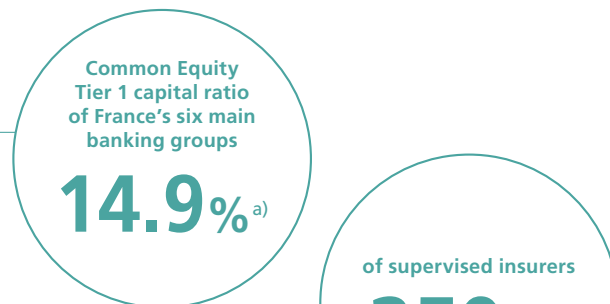
# FINANCIAL STABILITY 2022

## KEY FIGURES

### ON-SITE INSPECTIONS



### SOLVENCY RATIO

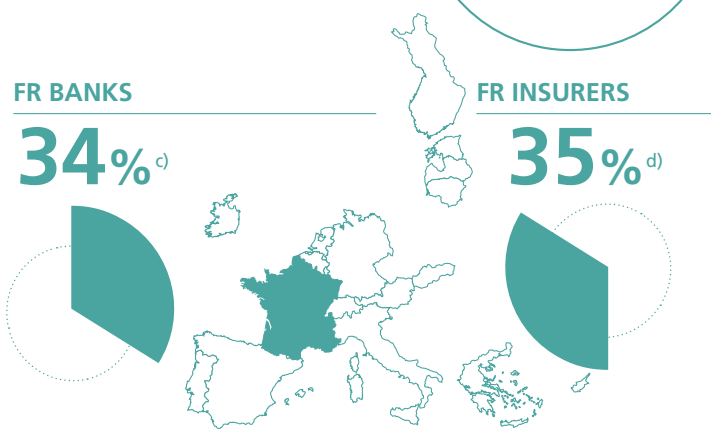


### AVERAGE SOLVENCY CAPITAL REQUIREMENT COVERAGE RATIO



### SHARE OF TOTAL ASSETS

(euro area)



- a) Provisional: final data available in July 2023.
- b) Provisional: final data available at end-April 2023.
- c) Provisional: final data available in mid-April 2023.
- d) Provisional: final data available at end-June 2023.

# STRENGTHENING THE RESILIENCE OF THE FRENCH FINANCIAL SYSTEM

France's financial sector absorbed the shocks linked to the war in Ukraine and demonstrated its resilience: European sanctions on Russia were properly applied, and France's six main banking groups continue to post an elevated average solvency ratio, which stood at 14.9% in December 2022. Given the risks to financial stability, the Banque de France and the *Autorité de contrôle prudentiel et de résolution* (ACPR – Prudential Supervision and Resolution Authority) stepped up their supervision of the exposures of French financial participants to energy markets and also to cyber risk, which increased in 2022.

In 2022, financial markets exhibited severe volatility, in response to higher interest rates and increased uncertainty. New macroprudential measures were introduced to offset increased cyclical risks. As part of this, the *Haut Conseil de stabilité financière* (HCSF – High Council for Financial Stability) tightened credit standards for housing loans, which became tougher in January 2022.

The Banque de France is contributing to the responses called for by structural changes to the financial system. It is advocating for internationally coordinated rules for the crypto-assets market. The European Union has adopted a regulation in this area – the Markets in Crypto-Assets (MiCA) Regulation – which is set to come into application in 2024. The Banque de France and the ACPR are paying increased attention to climate change-related risks, as well as to the supervision of environmental, social and governance (ESG) disclosures by financial institutions. Set up at the initiative of the Banque de France and seven other central banks in 2017, the Network of Central Banks and Supervisors for Greening the Financial System (NGFS) now has 140 members and observers.

As part of supervising market practices for customer protection purposes, we checked that institutions complied with the cap on banking fees and that borrowers were free to choose their provider for housing loan insurance. The ACPR continued to fight scams and identity theft of financial sector professionals, which increased in 2022.

## SERVICES TO THE ECONOMY AND SOCIETY 2022 KEY FIGURES

HOUSEHOLD DEBT  
COMMISSIONS

113,081

applications submitted

33,264

BANK ACCOUNTS OPENED AT THE BANQUE  
DE FRANCE'S BEHEST UNDER THE RIGHT  
TO A BANK ACCOUNT PROCEDURE

8,779

REQUESTS FOR ASSISTANCE  
SUBMITTED TO OUR

102

VSE/SME correspondents

308,348

ratings assigned to  
non-financial corporations  
(mainly SMEs)

10,232

jobs saved at  
860 companies thanks  
to Credit Mediation

## THE BANQUE DE FRANCE, A LOCAL PARTNER FOR HOUSEHOLDS AND BUSINESSES

The Banque de France is expanding its business services, offering a more accurate rating scale as well as enhanced tools, including an online business positioning and analysis tool (OPALE) and a local economic cyclical and structural analysis tool (ACSEL). In 2022, 8,779 entrepreneurs were assisted by the Bank's 102 *département*-based VSE-SME correspondents, and around 1,000 start-ups were given support in their efforts to obtain financing. Mediation applications were down 45% compared with 2021, in a sign of easier access to credit.

The Banque de France continued its work to promote financial inclusion. This included setting up a single phone number, 3414, through which callers can reach the appropriate Bank department directly for the cost of a local call. In 2022, the number of household debt resolution applications submitted fell to 113,081, down from 120,975 in 2021. The year also saw continued work by the Observatory for Banking Inclusion (OBI), which provides a monthly forum for members to share their views on social conditions.

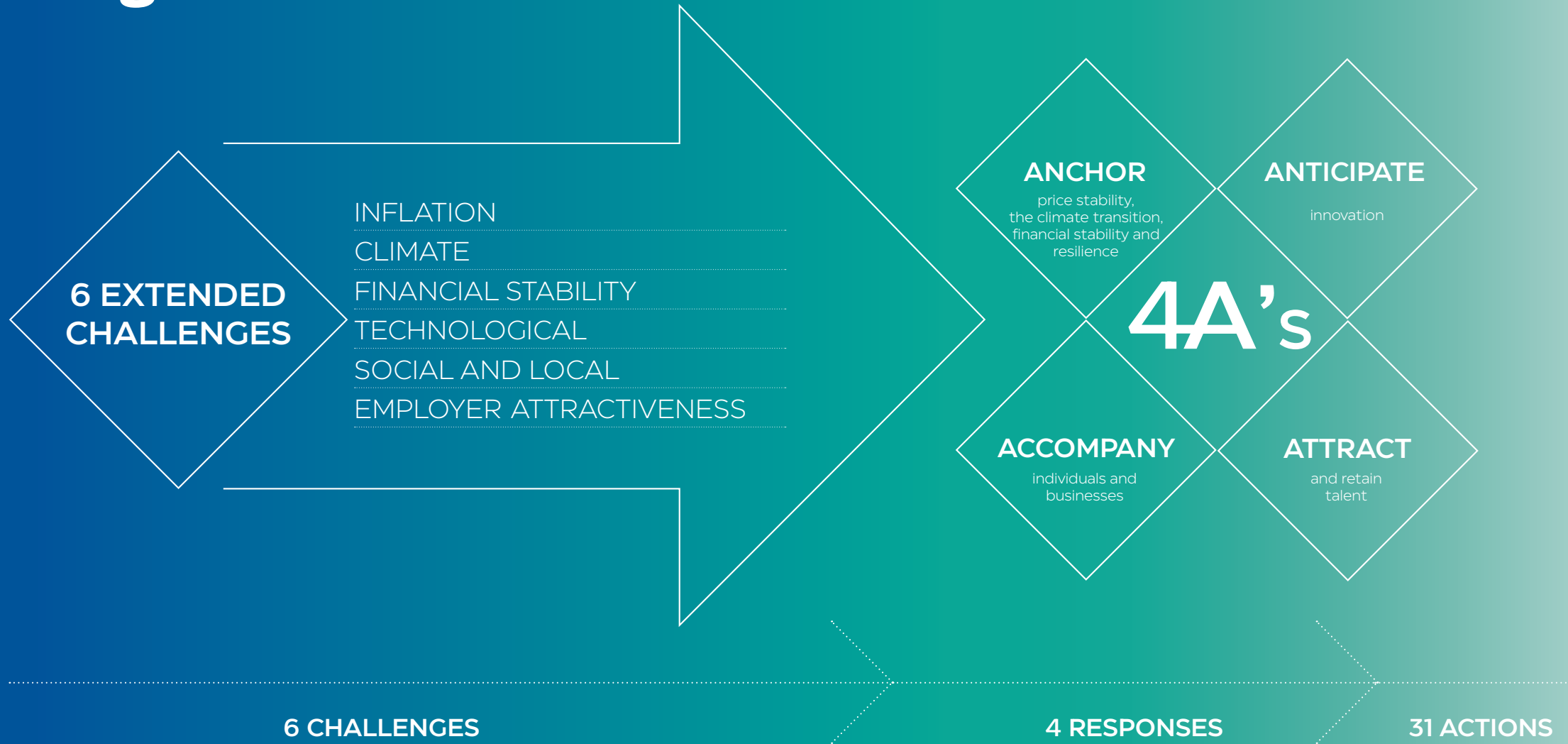
Under its responsibility for executing the national financial and economic education strategy (EDUCFI), the Banque de France issued EDUCFI passports to 80,000 high-school students in 2021-22, ran EDUCFI workshops for 31,000 volunteers from the universal national service programme and organised competitions for high-school students. Attention was also paid to the most vulnerable members of society, with 650 EDUCFI workshops put on for 5,300 young people enrolled in employment integration programmes and 114 workshops for 1,200 people with literacy difficulties and their support persons.

The *ABC de l'économie*, *Mes questions d'argent* and *Mes questions d'entrepreneur* websites were enhanced in 2022 to include podcasts, free educational content on social media and digital games.

As a financial services provider to the government, the Banque de France manages the French Treasury's accounts and the associated payments. Since 2021, acting on behalf of the European Commission, the Bank has issued the short-dated securities that finance the NextGenerationEU recovery plan.



# Building 2024 Together



## ANCHOR

price stability,  
the climate transition,  
financial stability  
and resilience

## ANTICIPATE

innovation

## ACCOMPANY

individuals and  
businesses

## ATTRACT

and retain talent

### INFLATION CHALLENGES

- 1a. Bring inflation down towards 2% by end-2024/end-2025
- 1b. *"La Banque de France à votre écoute"* (The Banque de France Listens"), a Q&A session on monetary policy for all audiences
- 2. Improve the way we measure and take account of households' and firms' inflation expectations

### CLIMATE CHALLENGES

- 3. Adapt monetary policy operations to climate risks
- 11. Ensure the financial sector takes better account of climate-related risk, notably via the NGFS

- 12. Assess how to incorporate climate risk into our rating process and provide businesses with an indicator
- 22. Actively commit to a target of carbon neutrality
- 23. Aim for digital sobriety in all our digital uses

### FINANCIAL STABILITY AND RESILIENCE CHALLENGES

- 10. Improve the assessment and prevention of risks to the financial system
- 19. Reinforce and renew our operational resilience

### TECHNOLOGICAL CHALLENGES

- 4-5. Innovate in everyday payments (including with a digital euro)
- 6. Prepare our market infrastructures for decentralised and tokenised finance
- 7. Modernise the printing works to increase our competitiveness
- 8. Penetrate new banknote paper markets (EUOPAFI)
- 9. Implement our SUPTECH strategy for enhanced supervision

- 17. Identify the key themes for tomorrow's Eurosystem and multilateral agendas
- 24. Capture more innovations with the business lines and their ecosystems, and accelerate their implementation
- 25. Improve the governance and exploitation of our data, starting in five target areas (companies, financial stability, supervision, statistics, climate)

### SOCIAL AND LOCAL CHALLENGES

- 13. Roll out, via our branch network, a complete financial inclusion offering
- 14. Innovate and improve our guidance for entrepreneurs in the face of the crises
- 15. Enable all staff to learn more about our missions and spread that knowledge outside the Bank
- 16. Support the strategy of the IEDOM and IEOM for the development of the overseas economies

### EMPLOYER ATTRACTIVENESS CHALLENGES

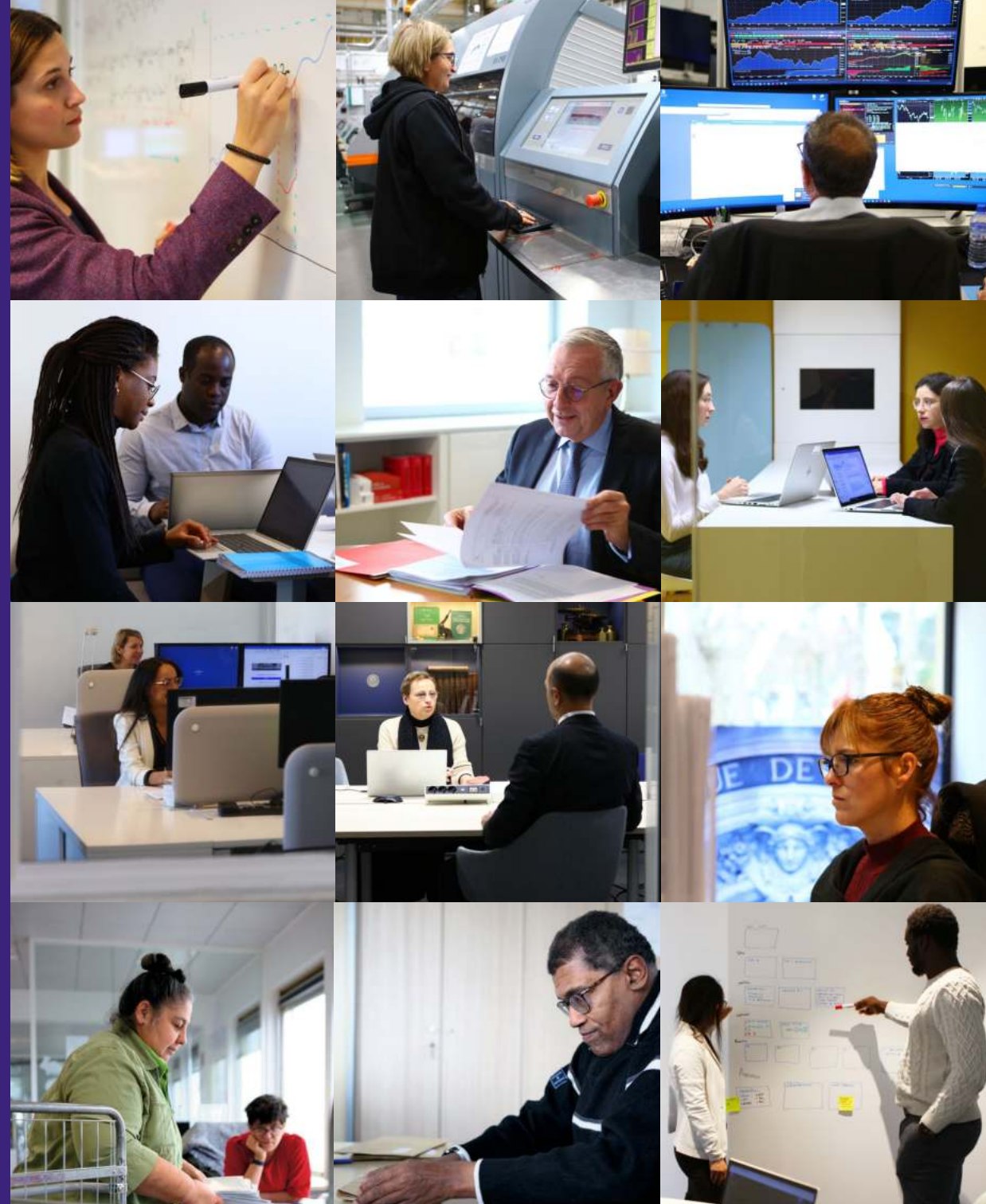
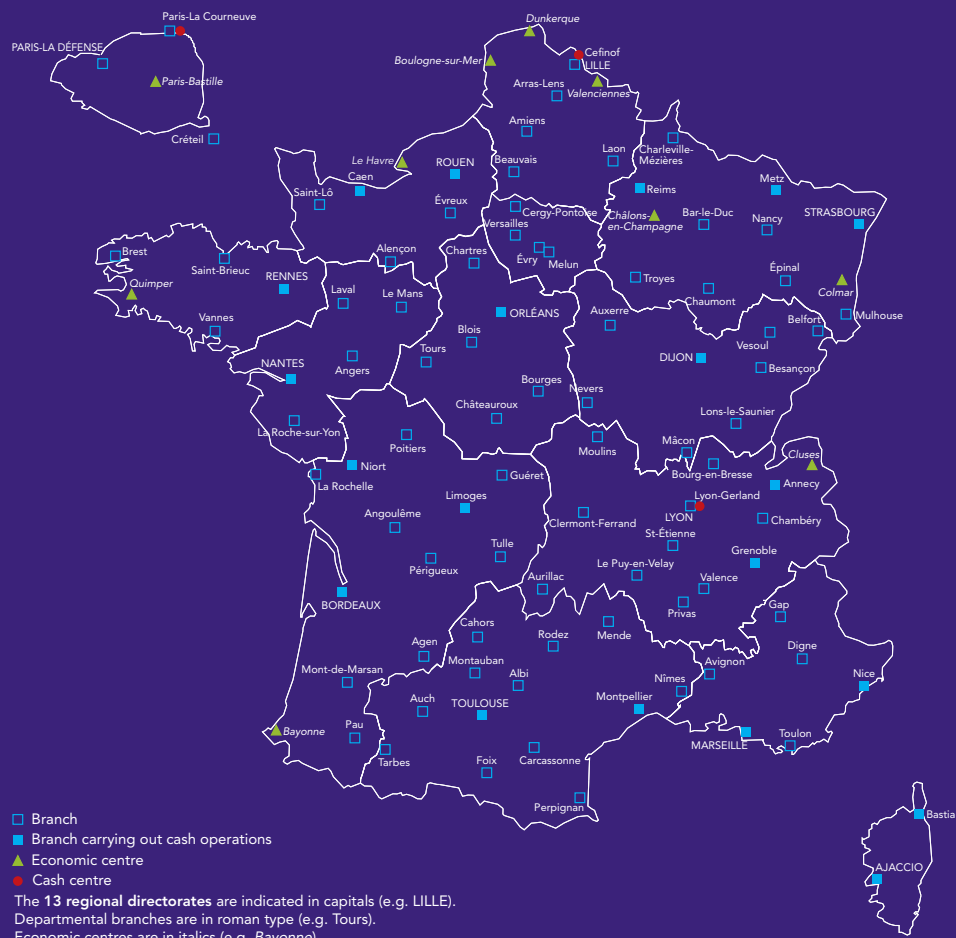
- 18. Define an HR policy to increase our influence at the European and international levels
- 20. Completely modernise the branch network premises and working environment by the end of the decade
- 21. Simplify workstations and adapt them to new modes of working, including teleworking
- 26. Support our managers: more sharing of "managerial attitudes", more help in facing day-to-day challenges, more autonomy
- 27. Ensure assistant roles are more valued: renewed recruitment methods, lifelong skills and career development
- 28. Provide better financial recognition for staff contributions, including for experts
- 29. Introduce an income protection scheme for all staff
- 30. Simplify our processes and our culture
- 31. Strengthen our teamwork in a hybrid environment

# SOCIAL...

# ... AND ENVIRONMENTAL RESPONSIBILITY

FIELD OF ACTION	OBJECTIVE	INDICATORS MONITORED	LEVEL ACHIEVED IN 2022
 <p>PRESERVING THE ENVIRONMENT</p>	<p>Pilot and implement a carbon neutral strategy</p> <p>Engage the directorates and staff in reducing our carbon footprint</p> <p>Use our resources sustainably and help to preserve biodiversity</p>	<p><b>No. 1 Reduce our greenhouse gas (GHG) emissions by at least 15% by 2024</b> (compared with 2019)</p> <p><b>No. 2</b> Provide all staff with a personal digital profile, and enrich and increase its use</p>	<p><b>No. 1</b> Reduction in 2022 (compared with 2019): <b>22.6%</b><sup>a)</sup></p> <p><b>No. 2 9,782 users (staff and external service providers)</b> 2 new functions: number of printouts and emails sent between 7 p.m. and 7.30 a.m. and at weekends</p>
 <p>HR INCLUSION AND COLLABORATIVE INITIATIVES</p>	<p>Promote diversity in our hiring and guarantee equal treatment for all</p> <p>Guarantee career-long employability for staff</p> <p>Co-construct a working environment that fosters wellbeing and initiative-taking</p>	<p><b>No. 3</b> Share of women in managerial positions: <b>35% by end-2024</b></p> <p><b>No. 4</b> Share of disabled staff <b>≥ 6%</b></p>	<p><b>No. 3</b> Share of women in managerial positions: <b>35.6% at end-2022</b>, above the target for end-2024 set in the amendment to the collective agreement</p> <p><b>No. 4</b> Share of disabled staff in 2022: <b>6.71%</b></p>
 <p>SPONSORSHIP</p>	<p>Preserve and promote our cultural heritage</p> <p>Commit to increasing economic and social inclusion</p> <p>Promote the ecological transition</p>	<p><b>No. 5</b> Annual rate of staff participation in solidarity initiatives <b>&gt; 10%, with an increase of 15% between 2020 and 2024</b></p> <p><b>No. 6</b> At least <b>350 sponsorship initiatives</b> supported and a budget of at least <b>€25m over the period 2021-24</b></p>	<p><b>No. 5</b> Rate of participation in 2022: <b>29.7%</b> 2021: 16.9% 2020: 12.2%</p> <p><b>No. 6</b> 2021-22: <b>220 actions, budget of €13.9m</b> 2022: 110 actions, €6.7m 2021: 110 actions, €7.2m</p>
 <p>BUILDING A SUSTAINABLE ECONOMY THROUGH OUR INVESTMENTS AND PROCUREMENT</p>	<p>Incorporate extra-financial criteria into our project engagement and follow-up</p> <p>Continue and disseminate our responsible procurement strategy</p> <p>Strengthen our responsible investment approach</p>	<p><b>No. 7 2°C alignment</b> of the equity component<sup>b)</sup> of the pension liabilities portfolio</p> <p>a) Provisional and partly estimated figure for 2022.</p> <p>b) The Bank's responsible investment approach covers its own funds and pension liabilities investment portfolios, i.e. assets for which it is solely and fully responsible. It is pursuing the objectives sets in the Paris Agreement and aims to align its asset portfolios with a trajectory that limits global warming to well below 2°C. To do this, it factors companies' carbon emissions trajectories into its investment choices, to ensure that its portfolios comply with the warming target.</p>	<p><b>No. 7</b> New alignment target of <b>1.5°C</b> after the initial 2°C target was reached in 2021 and 2022</p>

# THE BANQUE DE FRANCE BRANCH NETWORK AND CASH CENTRES AS AT 1 JANUARY 2023



banque-france.fr



**BANQUE DE FRANCE**  
EUROSYSTEMÈME

