# THE BANKING SECTOR IN **2014**

FEDERATION BANCAIRE FRANCAISE

THIS REPORT CONTINUES
ON THE FBF'S WEBSITE

# CONTENT

# A REINFORCED BANKING MODEL

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**IN 2014, THE €2 TRILLION MARK IN OUTSTANDING LOANS TO THE ECONOMY** was reached in France for the first time. This growth, which is unrivalled in Europe, is benefiting businesses, especially SMEs, with nine out of every 10 small and medium enterprises receiving the investment loans they sought. Last autumn's launch of a new website, *aveclespme.fr*, provides a reminder that the economy is a strategic priority for French banks. Banks are therefore paying close attention to any regulatory developments that could alter their financing capacity.

**THE BANKING UNION HAS EMERGED.** 2014 will go down in the history of banking and the eurozone as the end of a long process and the beginning of a new era. The banking union is a revolution that not only created a single supervisory mechanism for all banks in the eurozone but also a bank resolution mechanism. The FBF threw its full support behind the union. The stakes are high, and include building investor trust in the eurozone and its banks, protecting savers and promoting the growth of the European economy. Frankfurt has now become a new banking capital and a powerful European voice in global debates on banking regulation, where the stakes are considerable. The FBF established a regular presence there this year.

The results of the asset quality review and stress tests, a double effort and unprecedented in terms of scale and requirements, demonstrated the stability of French banks. 2014 was a banner year for the French banking industry and provided evidence of the effectiveness of its universal and diversified banking model.

**IT IS THIS BANKING MODEL** that needs to be promoted today. At a time when the markets are playing a greater role in corporate financing, European plans for a structural reform of banks and a financial transaction tax may adversely affect the competitiveness of French banks and harm the image of Paris as a financial centre. These plans, which are incompatible with the Capital Markets Union currently being advocated by the European Commission, will destroy jobs and undermine French national sovereignty. They should be abandoned or completely overhauled. The French banking industry must be able to continue to offer its customers, whether individuals or companies, a full range of quality services, including on the markets.

**THE SECURITY REQUIREMENT IS ALSO A HALLMARK OF THE FRENCH BANKING MODEL.** This model is known for the responsible distribution of credit, founded not only on the creditworthiness of the borrowers but on the reliability of payment services. Now that cybersecurity is becoming a major issue, all market players must apply the same standards of accountability and security. The ongoing technological revolution cannot sacrifice security, especially access to banking information. These are the stakes in the revision of the Payment Services Directive.

**A KEY PILLAR OF THE COMPETITIVENESS OF THE FRENCH ECONOMY**, the banking industry, which employs 370,000 people and hires nearly 25,000 employees a year, is being adversely affected by an unprecedented rise in its tax burden. By 2017, it is predicted that French banks will incur €11 billion in additional expenses relative to 2010 and see their tax rate reach an all-time high of 54%, which is unequalled in other industrial sectors.

**BANKING IN FRANCE ALSO MEANS TIES TO THE COMMUNITY**: a neighbourhood bank bringing innovation to the entire country and represented in the FBF by 105 local and regional committees. Their commitment deserves recognition, as do their efforts to explain, share and dialogue with companies and associations. This activity is decisive in building up confidence and is therefore crucial to the quality of the relationship between banks and their customers.

*15 March 2015*

# SIGNIFICANT EVENTS IN 2014


*The FBF presents series of videos on corporate financing with testimonials from corporate executives and experts from the banking world that can be watched on YouTube*

*MORE VIDEOS*

## FINANCING OF THE ECONOMY

JANUARY ▪ The European Commission publishes a proposal for a structural reform of de EU banking sector. The proposal puts the funding of European businesses at dramatic disadvantage.

FEBRUARY ▪ The European Directive of 4 February 2014 on residential immovable property credit agreements is published.

MARCH ▪ A decree sets out the provisions of the PEA-PME (SME equity saving plan) designed to finance SMEs and ISEs.

APRIL ▪ The new French issuer "Euro Secured Notes Issuer (ESNI)" launches its first issues of guaranteed debt securities.
▪ The Charter for "Euro Private Placements" (Euro PP), signed by the FBF and nine other professional organisations, aims to facilitate the development of private bond issues.

MAY ▪ An order establishes a legal framework for crowdfunding.

JUNE ▪ The French Government launches the "Place de Paris 2020" Committee putting finance at the service of the economy.
▪ Following the submission of the Report on the Financing of Very Small Enterprises (VSEs), the banking industry announces measures in support of VSEs/SMEs, and appoints contact persons in each networks for the SMEs' professional organisations.

JULY ▪ The FBF sends the European Commission a list of its priorities to support the financing of economic recovery in Europe for 2014-2019.
▪ Draft legislation for energy transition to green growth is presented to the French Council of Ministers.

SEPTEMBER ▪ The FBF produces a number of videos on corporate financing with testimonials from corporate executives and talks by experts from the banking world.
▪ ECB launches its first targeted longer-term refinancing operation (TLTRO) which will provide additional resources to finance the European economy.
▪ During the Conference on Finance and Investment, the FBF reminded attendees that corporate financing is a strategic priority for all French banks.

NOVEMBER ▪ The FBF launches a new website designed for businesses: AVECLESPME.fr.

DECEMBER ▪ Outstanding loans to the economy exceeds 2,000 billion euros.
▪ The amended finance law for 2014 eliminates the deduction of the Systemic Risk Tax and contributions to the Single Resolution Fund from corporation tax. This tax increase will affect the banks' ability to finance the economy.

## CUSTOMER RELATIONSHIPS

JANUARY ▪ The French National SEPA Committee, chaired by the Banque de France and the FBF, calls for the immediate migration to SEPA payment instruments.

FEBRUARY ▪ A decree simplifies the procedures for dealing with excessive personal indebtedness.

MARCH ▪ The Consumer Affairs Act introduces class action lawsuits under French law and amends the borrowers' insurance scheme.
▪ A decree establishes the naming for essential fees and bank services.
▪ The FBF launches a new website: lesclesdelamediationbancaire.com.

APRIL ▪ The FBF attends the International Conference on financial education hosted by the Francophone Banking Union in Brussels.

MAY ▪ Mediation with the FBF publishes its annual report and announces the go-live of its website, lemediateur.fbf.fr.

JUNE ▪ The Act of 13 June 2014 respecting inactive bank accounts and unclaimed life insurance contracts will come into effect on 1 January 2016.

JULY ▪ The FBF produces a video together with the Central Command of the Judicial Police aiming at preventing international credit transfer fraud.

AUGUST ▪ After the deadline of 1 August 2014 for migrating to SEPA, only SEPA credit transfers and direct debits can be used in the future.

SEPTEMBER ▪ The Financial Inclusion Observatory created by the Banking Act of 26 July 2013 is established.

OCTOBER ▪ The decree of 30 June 2014 on the special service offer for persons in precarious financial situations comes into force.

NOVEMBER ▪ The financial inclusion and excessive indebtedness prevention Charter of French Association of Credit Institutions and Investment Companies (AFECEI) is published.

DECEMBER ▪ The regulation of 26 November 2014 on key information documents for Packaged Retail and Insurance-based Investment Products (PRIIPs) is published.
▪ A European agreement on a regulation providing a framework for interchange fees for payment cards is concluded.
▪ The report on bank account number portability is submitted to the French Government.
▪ In connection with the negotiations on the PSD2 Directive, the banking profession calls to safeguard security and user convenience in payments.

## BANKING REGULATION

JANUARY ▪ The prudential requirements emerging from European CRD IV/CRR texts take effect.

FEBRUARY ▪ The order of 20 February 2014 completes the transposition of the CRD IV Directive into French law.

MARCH ▪ The FBF welcomes the European agreement on the Single Resolution Mechanism (SRM).

APRIL ▪ The European Parliament adopts eight laws involving the banking sector on 15 April 2014.

MAY ▪ The FBF reiterates its opposition to the proposed European financial transactions tax (FTT).

JUNE ▪ The Directive establishing a pan-European framework for banking recovery and resolution (BRRD) is published as well as legislations reforming Markets in Financial Instruments Directive (MiFID II / MiFIR) and Market Abuse Directive.

JULY ▪ In a letter to the European Commission, the FBF requests that contributions to the Single Resolution Fund (SRF) be set up in a fair manner.
▪ The OECD publishes the new global standard on the Automatic Exchange of Information between jurisdictions.
▪ The French, German, Belgian and Japanese banking associations alert the Basel Committee on the necessity to preserve the banks' capacity to grant fixed rate mortgages.

AUGUST ▪ The European Regulation of 23 July 2014 on improving securities settlement and central securities depositories is adopted.

SEPTEMBER ▪ Adoption of the law approving the agreement between France and the United States enforcing US tax law FATCA.
▪ The decree of 9 September 2014 identifies the transactions likely to be housed in subsidiaries through the implementation of the Banking Act of July 2013.
▪ In a letter to the Government, the FBF draws attention to the new constraints of the FSB proposal for total loss-absorbing capacity (TLAC).

OCTOBER ▪ The results of the comprehensive assessment conducted by the ECB and the EBA demonstrate the soundness of French banks.

NOVEMBER ▪ The ECB assumes its new role as supervisor of European banks as part of the Single Supervisory Mechanism (SSM).

DECEMBER ▪ By application of the Regulation of 19 December 2014, the contribution by French banks to the Single Resolution Fund (SRF) is estimated to be more than 15 billion euros.

Chapter one

# BANKS AT THE CORE OF FINANCING THE ECONOMY

*Regulatory changes and advances in technology are prompting banks to transform and adjust their model for financing the economy. Despite these hurdles, French banks continue to finance businesses and households. The €2 trillion mark in loans to the economy was crossed in October 2014, in spite of a persistently gloomy business climate.*

# FRENCH BANKS ARE WORKING ALONGSIDE BUSINESSES AND HOUSEHOLDS

*At the end of 2014, outstanding loans to the economy stood at 2,017 billion euros, up 2.3% year-on-year%[1].*

## LOANS TO BUSINESSES: +2.3% YEAR-ON-YEAR

French banks are committed to working alongside corporations to finance their needs. Outstanding loans to businesses stood at **838 billion euros** at the end of December 2014, up **2.3%** year-on-year. Investment loan outstandings constituted the most dynamic share: 582 billion euros (+2.6%). Short-term loans are up 2.3%[2].

Interest rates remain low. They averaged 2.01% in December 2014, lower than the rates for the eurozone as a whole (3.12%)[3].

SMEs are the primary beneficiaries of bank lending. Loans to SMEs accounted for 45.1% of total loans granted to businesses in December 2014. Total outstanding loans to these businesses was +1.7% year-on-year[4].

Applications for loans by SMEs were very broadly approved with **9 out of 10 SMEs** obtaining the investment loans they requested and 8 out of 10 SMEs receiving the short-term loans requested in the last quarter of 2014. However, demand for loans remained low in 2014: only 21% of SMEs sought an investment loan and 6% requested short-term loans[5].

*“The FBF's strategic priority, make it clear that French banks are available for entrepreneurs to finance their projects.”*

**François Pérol, Chairman of the FBF**
**Europe 1, 27 October 2014**

## LOANS TO INDIVIDUALS: +2.6 % YEAR-ON-YEAR

French banks also finance actively the projects of French customers. Outstanding household loans stood at 1,018 billion euros at the end of December 2014, up 2.6% year-on-year. Most household loans were home loans, representing 833 billion euros (+2.3% year-on-year) [6].

***FRENCH BANKS ARE THERE TO PROVIDE FUNDING FOR ENERGY TRANSITION***

***French banks are funding the plans of their business and individual customers in the area of energy efficiency to satisfy their expectations. The range of available loans and services is very wide, from large-scale European or international investment projects to energy efficiency renovation work in private dwellings.***

*Sources of data, march 2015 :*
*(1) Banque de France, Loans to household and France-based non-financial corporations*
*(2) Banque de France, Stat Info, Loans to non-financial corporations*
*(3) European Central Bank, Loans under 1 million euros at variable rate*
*(4) Banque de France, Stat Info, Loans to corporations*
*(5) Banque de France, Business access to lending*
*(6) Banque de France, Stat Info, Loans to individuals*

At year-end 2014, 46.5% of households had at least one loan, according to the Observatory for Household Loans. 30.6% of them had a home loan and 25.6% a consumer loan.

Borrowing conditions remained favourable, with historically low interest rates. Accordingly, the average rate of lending for home purchases was 2.36% at year-end 2014 compared to 3.09% a year before[(7)]. The average rate of new consumer loans amounted to 5.13% in December 2014[(8)].

Loan activity remains closely linked to demand, which is persistently weak due to the economic environment. The French admit to being very cautious with regard to their plans to apply for new loans. Only 4.2% of households plan to apply for a home loan in the first six months of 2015[(9)].

*(7) Observatory for Household Loans/CSA, January 2015*
*(8) Banque de France, Stat Info Loans to individuals, March 2015*
*(9) Observatory for Household Loans, January 2015*

## A WEBSITE FOR SMES

*The FBF launched the website, aveclespme.fr, in November 2014 to further strengthen the partnership between directors and officers of SMEs and their banks. Regularly updated with news, special coverage, local initiatives and advice, this practical and instructive website provides business executives and everyone who supports them (professional bodies, chambers of commerce, associations, etc.) with a better understanding of the banking relationship, essential for engaging in effective dialogue based on mutual trust.*

AVEC LES PME.fr
FEDERATION BANCAIRE FRANCAISE

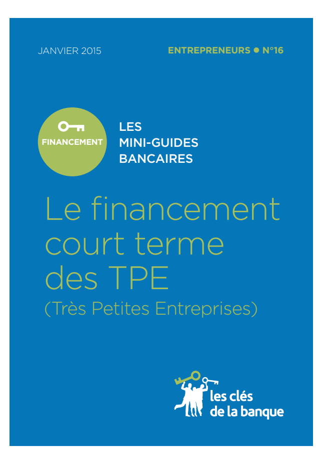
### *ON THE GROUND, THE EMPHASIS IS ON DIALOGUE BETWEEN BANKS AND VSEs/SMEs*

*Banks throughout France campaigned strongly to provide financing to SMEs and VSEs. In June 2014, after the publication of the report on funding VSEs by the Observatory for Corporate Financing, member banks of the FBF decided to implement several proposals contained in the report:*

- *promptly answering all requests for loans from a VSE customer within 15 business days starting from completion of the application,*
- *explaining to the VSE customer why their loan was refused,*
- *providing information on available recourse and, in particular, pointing to the existence of the credit mediation service for businesses,*
- *developing better information on treasury funding and short-term loans,*
- *keeping VSE advisors in their positions for longer periods of time.*

*The banks appoint contact persons in each networks for the SMEs' professional organisations, at national level, to improve relationships.*

*The FBF's 105 regional committees participate in numerous local conferences on business start-ups, relationships with SMEs, etc. and regularly meet business executives: 10 regional SME banking conferences brought together more than 1,800 business executives and bankers in 2014.*




*In connection with the proposals contained in the report on funding VSEs, the FBF has published a "Les clés de la banque" guide on short-term lending to VSEs.*

# THE FINANCING MODEL IS EVOLVING

*Businesses are increasingly using the financial markets and banks are actively helping them find new sources of financing.*

*"In France, bank lending increased modestly last year. The banking system responsibly played its part."*

**Speech by the French President to the Conference on Finance and Investment, 15 September 2014**

Out of total corporate financing of 1,356 billion as of the end of December 2014, the proportion of bank lending to market financing was 62%/38% (compared to 70%/30% at the end of 2009)[10]. This will be a major challenge for the Capital Markets Union, wished by the European Commission, to allow financial players to accompany this evolution.

## INITIATIVES SUPPORTING SMEs AND ISEs

The changing funding model and the access to market funding required by SMEs and ISEs is prompting French banks to support European actions that can develop securitisation and to participate in a number of initiatives.

Since March 2014, French banks have been campaigning to distribute **PEA-PME** plans (SME equity saving plans) to those customers showing interest in this type of investment. This new product is expected to play a role in channelling savings towards long-term investment in corporations as French banks have been advocating for a number of years.

The launch of the "**Charter for Euro Private Placements**" (Euro PP)[11] is a quantum leap for corporate financing. The Charter, which was drafted by the Euro PP working group organised under the auspices of Banque de France and the Paris Chamber of Commerce and Industry and signed by 10 professional organisations in April 2014, is designed to facilitate financing for SMEs and ISEs, whether listed or not, which would otherwise be unable to access the international bond markets, primarily because they have not been rated by an agency. By establishing a reference framework and best practices for French and international institutional investors, the Charter has created the conditions for the development of the Euro PP market.

The issue of guaranteed debt instruments by the new issuer **Euro Secured Notes Issuer** (ESNI), beginning in April 2014, gives the Paris financial marketplace yet another tool to support financing to SMEs and ISEs: these notes give greater liquidity to bank loans granted to businesses meeting eligibility requirements for the Eurosystem's refinancing operations. Such high-quality securitisation complies with high standards of transparency, simplicity and security. It is strongly supported by the Banque de France.

## PROMOTING LONG-TERM FINANCING

The European Commission's Investment Plan will unlock public and private investments in the real economy of at least €315 billion over the next three years. As part of this initiative, the European Fund for Strategic Investments is being set up to take on the riskier tranches in investment projects so as to provide first loss protection, thereby maximising risk-taking by banks.

*(10) Banque de France, Bank indebtedness and market-based debt of non-financial corporations, March 2015*
*(11) A Euro PP is a medium or long-term financing transaction between a company and a limited number of institutional investors, based on deal-specific documentation negotiated between the borrower and the investors, generally with the participation of an arranger.*

That said, the mobilisation of long-term funds requires a fiscal, economic and regulatory environment providing banks with the means to set up long-term financing. A number of future European reforms will have direct effects on the capacity of banks to muster funds for the economy (see chapter 3).

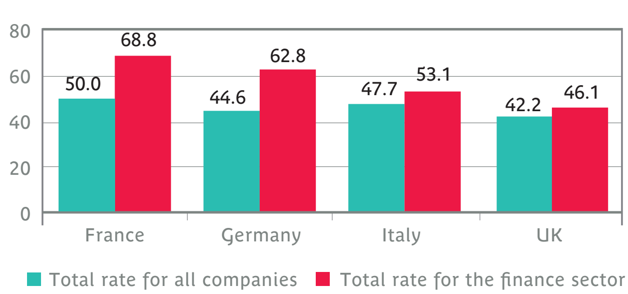
## THE TAX BURDEN PENALISES THE FUNDING OF ECONOMY

In France, corporate financing is being **hurt by the increased tax burden** on the banking industry. The removal of the deduction for the Systemic Risk Tax and contributions paid by banks to the Single Resolution Fund (SRF) from corporate tax imposed by the amended finance law for 2014 will lead to **an extra cost of €900 million** for the next three years.

This amount is on top of the numerous contributions made by the banks to the State budget, whether it relates to fiscal and social charges paid by all companies or **specific taxes** for the banking sector such as payroll tax, the systemic risk tax, the contributions for the running of the French Prudential Supervision and Resolution Authority (ACPR) and the French Securities Regulator (AMF) or the European supervisory authorities. As this does not exist overseas, the payroll tax represents a significant burden which penalizes the competitiveness of the banking sector and employment. In 2013 the payroll tax amounted to **almost 2 billion euros**, with the total contribution of banks to the State budget coming in **at 14 billion euros**.

The **effective take rate of net income before tax** for the banking sector (excluding social charges) stood at **54%** for the period 2011-2013.

## OVERALL RATE OF TAX* FOR THE FINANCE SECTOR *(in %)*



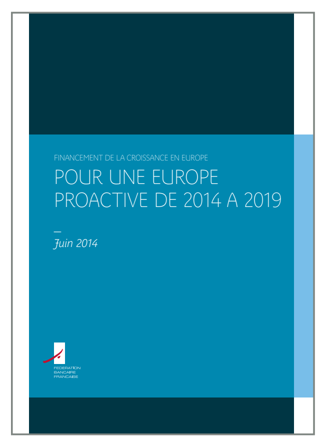

** Total amount of tax (including employers social security contributions) / added value*

*Source : PwC, 2013 (average rates 2006-2010)*

## *«TOWARDS A PROACTIVE EUROPE IN 2014-2019»*

*With the renewal of European institutions (new Commission and Parliament) the FBF has forwarded its priorities for the next five years to the new European Commission. The FBF has identified four priorities to make the financing of the European economy more efficient and to limit distortions of competition:*

- *Facilitating funding of Europe's economic recovery,*
- *Conducting an impact assessment of recent and ongoing regulatory changes on funding the economy,*
- *Enforcing security and responsibility requirements on all economic players in the area of payments,*
- *Bringing accounting systems into line with European realities.*




*To read on fbf.fr : «Towards a proactive europe in 2014-2019».*

MORE INFORMATION

# KEY FIGURES

2,017
billion €

in **lending** to the economy at the end of 2014, i.e. an increase of 2.3% year-on-year.
*(Banque de France, Stat Info, Loans to households and France-based non-financial corporations, March 2015)*

1,770
billion €

in bank **deposits** from non financial residents held by credit institutions in France, at the end of 2014.
*(Banque de France, March 2015)*

15.5%

This is the household **savings** ratio at year-end 2014.
*(INSEE, March 2015)*

37,863

**bank** branches in 2013.
*(ECB, August 2014)*

58,638

**cash machines** and ATMs in 2013, i.e. 892 machines for every 1 million inhabitants.
*(ECB, August 2014)*

18 billion

**payment** transactions per year.
*(ECB, August 2014)*

900
million €

contributed to the general budget in 2014 **due to the Systemic Risk Tax**.

More than 15 billion €

This is the estimated contribution amount by French banks to the **European Single Resolution Fund**.

54%

of net income before tax: this is the average **tax** burden for the last three years (excluding social security costs) for banks in France.


# BANKS SUPPORTING THEIR CUSTOMERS

*With the arrival on the scene of new payment services players and the growing use of new technology, local outreach, trust and security are even more clearly a major factor in banks' customer relationships, especially in the payments market. Banks are committed to helping their customers, especially those with financial problems, and are stepping up their efforts to educate the public about finance and budget management with the aim of furthering banking inclusion.*

# SECURITY AND TRUST AT THE CENTER OF THE CUSTOMER RELATIONSHIP

*The revision of the Payment Services Directive (PSD2), in the process of adoption at the European level, specifically allows new payment service providers, referred to as third party payment service providers (TPPs), to offer services requiring access to customers' bank details. The risk to weaken the payment system is really important.*

*“Certain European proposals pose significant risks on the security of payment systems.”*

**François Pérol, Chairman of the FBF**
**Letter to the Prime Minister**
**24 October 2014**

## A RIGOROUS FRAMEWORK REGULATING NEW PAYMENT INDUSTRY PLAYERS

Throughout the debates on PSD2, the banking industry has vigorously argued **that the same rules on security, responsibility and transparency** be applied to TPPs and credit institutions alike in order to maintain the level of customer trust and to protect access to bank details. Therefore, in connection with continuous dialogue with European bodies and working together with European organisations, the banking industry proposes the following measures:

- Special identifiers for TPPs service providers different from those that customers use in their relationships with their banks,
- Mandates given by customers to a TPP service provider and relayed to the bank for acceptance,
- Direct triggering of TPPs' liability where fraud or a defective transaction is attributable their actions.

After the adoption of a compromise agreement by the European Union Council in December 2014, the banking profession continues to underline the importance of security principles and a fair responsibility framework for all players.

## MAJOR ADJUSTMENTS FOR THE CARDS SYSTEM

The banking industry takes note of the agreement of 17 December 2014 on the Regulation providing a framework for interchange fees. It establishes caps on the fees charged on card payment transactions.

France already has **interchange fees that are among the lowest in Europe**. Today's level of French interchange fees complies with the limits set out by the Regulation. However, the banking profession remains vigilant regarding the complexity of the Regulation implementing terms.

Furthermore, the Regulation requires overly cumbersome adaptations. **The entire French fleet of issued cards is going to have to be overhauled** and the type of card – either debit or credit – must be defined.

Bank cards are the most frequently used payment instruments in France. Their ease of use relies on **an interbank system that allows the universality of payments in complete security**, irrespective of the customer's or the merchant's bank.

*SEPA: MIGRATION IS SUCCESSFUL!*

*The final changeover to SEPA (Single Euro Payments Area) payments on 1 August 2014 was a success. It was the result of several months of in-depth involvement by the entire banking industry to avoid any major problems during the very fast ramp-up of European payment instruments.*

*Several initiatives at grass roots level have facilitated the migration of the remaining latecomers, particularly SME and very small businesses, to SEPA and avoiding that they are faced with rejected transactions at the target date in accordance with European regulations.*

*In total, the FBF organised more than 70 regional meetings on SEPA with the Banque de France and business representatives (CCI, MEDEF, CGPME, AFTE, etc.); these briefings were attended by more than 4,000 corporate executives.*

## *BIG DATA - OPEN DATA: A COLLECTIVE SECURITY CONCERN*

*The digital environment is sensible. A strategic concern for all market participants, it has prompted numerous initiatives: national consultation on the digital economy launched by Prime Minister of France in October 2014 in preparation for a forthcoming law in 2015, work conducted by MEDEF, European consultations such as "Towards a thriving data-driven economy", the European Banking Federation's working group on digital banking, work of the competitiveness center «Finance Innovation», etc.*

## A COMPREHENSIVE ANALYSIS OF THE CASH CYCLE

The issue of the new €10 banknote in September 2014 necessitated – after the issue of the €5 note in 2013 and prior to the issue of the €20 note in 2015 – the upgrading of ATMs to detect the security features of the new euro banknotes.

This important upgrade is part of the fight against counterfeiting. It is a fundamental part of a more comprehensive study to streamline the cash infrastructure, in particular the development of recycling, while at the same time maintaining a high level of security and resiliency. All French market stakeholders are taking part, joining other European banking communities.

## CYBERSECURITY, AN ISSUE OF PRIME IMPORTANCE

The security of payment instruments is a constant concern for French banks, which continually invest in the security of their systems to prevent fraud. However, security is a matter of concern for all: banks, consumers and merchants.

In 2014, in a climate of increasing cybercrime, mobilisation to the cause of cybersecurity is growing. French banks are making every effort to detect and react to attacks on information systems or payment instrument fraud as soon as possible.

In the light of the increasing **fraud on credit transfer orders**, the FBF and the Central Command of the Judicial Police produced a video to raise awareness among businesses of the caution required in their transactions particularly at international level.


*Video produced by the FBF and the Central Command of the Judicial Police to raise awareness among businesses of the increasing level of fraud being committed using credit transfer orders.*

# BANKS ARE COMMITTED TO INCLUSION AND FINANCIAL EDUCATION

*For many years now, French banks have been implementing measures to facilitate access to a bank account and to payment instruments, particularly for customers in precarious financial situations.*

*“With this Charter, we have made considerable progress on two important issues: access to banking services by all and preventing excessive indebtedness.”*

**Michel Sapin, French Minister of Finance and Public Accounts, marking the approval of the Charter on financial inclusion and combating excessive indebtedness, 13 November 2014**

## CONCRETE MEASURES FOR PERSONS IN PRECARIOUS FINANCIAL SITUATIONS

Since 1 October 2014 and in accordance with the Banking Act of 26 July 2013, banks are proposing a commercial offer specifically designed for persons in precarious financial situations. For a total of 3 euros per month at most, it includes customised payment instruments and a specific cap on intervention fees. This banking service offer represents a straight continuation of the range of alternative payment methods to cheques (GPA), set up by the banking industry in 2005.

The banking industry is also taking concrete steps to promote banking inclusion and combat excessive indebtedness. In this regard, it has adopted the **AFECEI Charter**, approved by order on 5 November 2014. In particular, this Charter provides for the following measures:

- Setting up one or more early warning mechanisms for customers in precarious financial situations,
- Helping these customers, notably by offering payment, account management or lending solutions appropriate for their financial situation with a view to managing difficulties or preventing them from worsening,
- Special training for Customer Account Advisors in order to ensure the efficient dissemination of the special offer to customers in precarious financial situations,
- Accurate monitoring of the measures set up to support customers in precarious financial situations by the Prudential Supervision and Resolution Authority (ACPR) and the Financial Inclusion Observatory.

This Charter will come into effect by November 2015.

## PREVENTION THROUGH FINANCIAL EDUCATION AND BUDGET MANAGEMENT

The financial education and awareness-raising programme, **“Les clés de la banque”**, led by the FBF has been enjoying growing success among members of the public, associations and social partners, notably thanks to its website (**3.8 million page views** in 2014) and the distribution of a collection of 60 mini-guides (**500,000 copies**).

On the ground, the FBF Bank Committees are continuing these efforts targeting **social partners** through partnerships with general committees and community social action centres and associations such as CRESUS: participation in “Journées du budget”, co-publishing a handbook “Le Budget Grande Vitesse”, etc.

### *BANKING MOBILITY: CREDITORS WAIT FOR DEADLINES*

*The banking mobility support service is enshrined in the Consumer Affairs Act of March 2014. The Act also specifies the steps to be carried out by the initial bank to facilitate closing the account and moving to a new bank. An implementing decree still has to establish the maximum time allotted to creditors to incorporate a customer's new bank account details, which will smooth the implementation of banking mobility.*

*By contrast, the portability of bank account numbers or transaction redirection arrangements have proven to be solutions that are inadequate or too costly relative to the expected benefits, as pointed out in the Mercereau Report, made public in late 2014.*

*In 2015, the banking industry participates in the work of the CCSF (Financial Sector Consultative Committee), tasked with proposing alternatives in support of banking mobility.*

### *MAKING THE BANKING MEDIATION BETTER KNOWN*

*In April 2014, the FBF launched the lesclesdelamediationbancaire.com portal. This site aims at helping customers find their way around (disputes, role of the mediation and governing referral rules) and promoting dialogue with their banks. The site reminds visitors that the banking mediation is free, fast and avoids litigation in the courts.*

*The Mediation with the FBF is a step ahead of the transposition of the Alternative Dispute Resolution Directive (planned for July 2015) by providing a website for contacting the mediation on-line.*

les clés
de la médiation
bancaire
les clés de la banque

Educational campaigns targeting youth are strengthened by providing slideshows to **economics and social science instructors** to help them prepare their courses. In 2014, 50,000 high school students were made aware of several issues: the role of banks in financing economic activity, consumption, domestic savings, etc. Simultaneously, budget management workshops are offered at **Écoles de la 2ème Chance** (Second Chance Schools), which welcome interns who are particularly vulnerable financially: 40 workshops were held, facilitated by a banking professional, in which 400 young people throughout France participated.

The banking industry participates in the work of the Financial Sector Consultative Committee (CCSF) on developing a national strategy on financial education. It is also closely monitoring the European and international work carried out by the OECD, the European Banking Federation (EBF) and the Francophone Banking Union.

*DILEMME, a game co-created by CRESUS and the FBF and used by "Les clés de la banque" as part of budget management workshops organised at Écoles de la 2ème Chance.*

MORE **INFORMATION**

# KEY FIGURES

## 77%

of French consumers have a **positive image** of their banks.
*(BVA Image survey of banks, May 2014)*

## 7/10

This is the proportion of French consumers who are satisfied with their **customer account advisor**.
*(BVA Image survey of banks, May 2014)*

## 99%

of French consumers have a **bank account**.
*(Report by the Observatory for Microfinance, December 2013)*

## 85.5 million

**cards** in circulation in 2013, of which 68.4 million are interbank cards (CB, MasterCard, Visa) and 17.1 million are privately issued.
*(Report by the Card Security Observatory, July 2014)*

## 80%

of Internet users consider the connection to their **online bank** secure (+6 points over last year).
*(BVA Image survey of banks, May 2014)*

## 0.013%

This is the **fraud rate** at local payment sites, down relative to 2012.
*(Report by the Card Security Observatory, July 2014)*

## 27.5 million

**contactless** smartcards, i.e. 49.5% of CB issued bankcards at the end of 2014.
*(CB Bank Cards Group, February 2015)*

## 49.5%

of all payments were made with a **card** in France in 2013.
*(ECB, August 2014)*

## 93.7%

of cardholders benefit from at least one **enhanced card authentication solution**.
*(Report by the Card Security Observatory, July 2014)*

Chapter three


# THE BANKING UNION IS EMERGING

*The emergence of the Banking Union will give the eurozone a single supervision mechanism and a banking crisis prevention and management system, the only ones of their kind. They are based on a revamped regulatory framework that will reinforce confidence in the banking industry and promote financial stability. Work is ongoing towards deeper and more integrated capital markets: the Capital Markets Union.*

# A NEW REGULATORY FRAMEWORK

*The banking union is based on three pillars: the Single Supervisory Mechanism (SSM), the Single Resolution Mechanism (SRM) and the Deposit Guarantee Scheme.*

*“The universal banking model of French banks, the diversification of their activities and rigorous risk management are key strengths enabling them to publish solid balance sheets and withstand extremely severe shocks.”*

**Christian Noyer,**
**Governor of the Banque de France**
**26 October 2014**

## THREE-PILLAR ARCHITECTURE

- **Single Banking Supervision**

The Single Supervisory Mechanism (SSM) places the European Central Bank (ECB) as the central prudential supervisor of approximately 6,000 financial institutions in the eurozone. The ECB directly supervises the 120 largest banks, including 10 French banks, while the national supervisors continue to monitor the remaining banks.

This integrated system is based on a complete and detailed set of uniform prudential rules with which all European banks must comply (Single Rulebook). It is a guarantee of quality and independence.

The setting up of this first pillar of the banking union was preceded by an unprecedented exercise led by the ECB and the European Banking Authority (EBA): **asset quality review and stress testing**. The results, published on 26 October 2014, confirmed the financial strength of French banks, underpinned by rigorous risk management and a universal and diversified banking model. This exercise, conducted on an unprecedented scale, provided the transparency needed to encourage investor confidence in the stability of the eurozone's banking sector.

- **Single Resolution Mechanism (SRM)**

The second pillar of the banking union aims at setting up a framework to ensure an orderly resolution of failing banks with minimal costs for taxpayers. It includes a Single Resolution Board (SRB), to be instituted in January 2015, and a Single Resolution Fund (SRF), to become operational in January 2016.

The single resolution fund will be set up progressively over a transitional period of 8 years as of 1 January 2016. It will reach an amount equivalent to 1% of guaranteed deposits for all institutions subject to the SRM, in other words **55 billion euros**, according to the measures adopted in 2014.

The contribution of French banks is estimated at **15.4 billion euros**, representing **28% of the target amount of the fund**. This amount does not appear to be in line with the level of risk represented by the French banking sector. Technical measures still need to be adopted to specify the detailed terms of the single fund, particularly the treatment of intra group loans and exposure to derivatives.

The SRM completes the pan-European system instituted by the Directive of 15 May 2014 on the recovery and resolution of failing credit institutions (BRRD).

# THE BANKING UNION AND THE SINGLE RULEBOOK

| | SUPERVISION | RESOLUTION | DEPOSIT GUARANTEES |
|---|---|---|---|
| | UNION BANCAIRE | | |
| 19 EUROZONE COUNTRIES | SINGLE SUPERVISORY MECHANISM (SSM)<br>• ECB: significant banks*<br>• Competent national authorities: other banks<br>**4 November 2014** | SINGLE RESOLUTION MECHANISM (SRM)<br>• Single Resolution Board (SRB)<br>• Single Resolution Fund: 1% of deposits covered by 2024 = 55 billion euros<br>• All the banks of the banking union<br>**January 2015 for the SRB**** | SINGLE DEPOSIT GUARANTEE SCHEME<br>*3rd pillar of the banking union (not implemented at this stage)* |
| 28 MEMBER STATES OF THE EU | CRD IV/CRR PACKAGE OF 26 JUNE 2013<br>• Competent national a uthorities<br>• All banks<br>**January 2014** | BRRD DIRECTIVE OF 15 MAY 2014<br>• National resolution authority<br>• National resolution fund (1% of deposits covered by 2024)<br>• All banks<br>**January 2015***** | DGS DIRECTIVE OF 16 APRIL 2014<br>• National deposit guarantee funds: 0.8% (or 0.5%) of deposits covered by July 2024<br>• Repayment within 7 working days<br>• All banks<br>**July 2015** |

**A SINGLE RULEBOOK AT THE DISCRETION OF THE EBA FOR ALL BANKS IN THE EU**

** *123 banks on 1 January 2015, with the entry of Lithuania into the eurozone.*
*** January 2016 for the other measures.*
**** January 2016 for bail-in measures*

- **Deposit Guarantee Scheme**

As the setting up of a single deposit guarantee scheme not having been taken, the third pillar consists of an harmonised level of deposit protection in each country (EUR 100,000 per depositor / per bank). By 2015, the transposition of the Directive of 16 April 2014 (referred to as the DGS Directive) will consolidate this mechanism:
- the national deposit guarantee fund must be funded ex ante up to 0.8% of the deposits covered (or 0.5% in some cases) by 2024,
- the repayment period will be gradually reduced to 7 working days should a credit institution fail.

## NEW RULES TO STRENGTHEN TRANSPARENCY AND SECURITY

Over the past five years, the European Union has adopted some twenty reforms to strengthen the security of the banking and financial system:

- the capital and liquidity requirements introduced by CRD IV and the CRR regulation beginning in January 2014 contribute to the financial strength of the banking sector. These measures have been completed, in compliance with the CRR ruling, by two delegated acts of the European Commission :
  - on one hand, the mode of calculation of the leverage ratio that banks must publish as of 1 January 2015,
  - on the other, the composition of the coverage ratio in terms of liquidity requirements LCR (Liquidity Coverage Ratio) which will be introduced as of October 2015.

- The gradual application of the European Market Infrastructure Regulation (EMIR) set up a more reliable and transparent derivatives market, notably through clearing OTC derivatives via a central counterparty (CCP) and reporting of all derivatives to a trade repository.

- The reform of the Markets in Financial Instruments Directive (MiFID II/MiFIR) published in June 2014 strengthened the protection of investors, improve the operation of market infrastructures and transparency.

- The protection of investors has also been strengthened following the adoption of the Regulation of 26 November 2014 harmonising the format and content of pre-contractual information for retail investment products (the PRIIPs Regulation).

## *2015: MAJOR INTERNATIONAL CHALLENGES FOR THE FRENCH BANKING MODEL*

*Reform measures are still on the table of international regulators (Basel Committee on Banking Supervision and the Financial Stability Board) and laden with challenges, although the priorities are to kick start the funding of economic growth in Europe. French banks' economic model and their capacity to finance the projects of their customers could be undermined by flawed calibration of these reforms. Among such reforms, we cite two major projects:*

- *The Net Stable Funding Ratio (NSFR) will require banks to hold long-term resources (at more than one year) to finance the economy, even in the short term. French credit institutions will be particularly penalised due to the structure of French savings: life insurance and regulated savings, which do not appear on the balance sheet of banks and therefore cannot be used to meet the requirements of the ratio.*

- *The Total Loss Absorbing Capacity or TLAC is designed to allow a systemically important bank to continue to carry on essential activities even subsequent to a loss that may have consumed all its regulatory capital; the TLAC, developed at the international level by the Financial Stability Board, does not take into account the requirement known as the minimum requirement for own funds and eligible liabilities (MREL) in the BRRD Directive that applies to all banks in the EU.*

*These reforms are primarily inspired by defenders of the financing model used in anglo-saxon countries, and tailored to comply with US accounting rules. In fact, they could have devastating effects on continental Europe's banking industry.*

# CAPITAL MARKETS UNION: THE CONDITIONS FOR ITS SUCCESS

*The Capital Markets Union (CMU) is a European Commission project that aims to stimulate employment and growth by improving access to finance for businesses.*

*"Capital Markets Union: French banks want to play a significant role in the process and underscore the essential conditions for success."*

**FBF press release**
**18 February 2015**

## RELYING ON THE STRENGTHS OF FINANCIAL-SECTOR PLAYERS

To be successful, the CMU must take into account the strengths and specificities of the European economy financing, which has a diverse range of markets and actors, including the universal banks on which this project can and must rely.

The financing of the European economy and European businesses remains heavily reliant on credit intermediation, which makes it fundamentally different from the US model. This financing model is changing as a result of new banking regulations driving disintermediation. But this change is taking place at different rates, depending on the size of the businesses. The challenge facing the CMU is to create the conditions for a successful shift to a new balance between credit and market funding.

French banks are keen to play a major role and recall the conditions essential for the success of this plan.

- **Developing market access for SMEs/ISEs**
The CMU must promote the emergence of a common framework for rating SMEs and ISEs and develop opportunities for financing in the form of a private placement regime in euros. This requires establishing best practices in order to attract international investors.

- **Maintaining a long-term lending capability**
The CMU must lay the foundations for a robust and transparent **securitisation market in Europe**, notably by defining a common label and relying, if it proves necessary, on guarantees from public stakeholders to improve the attractiveness to investors.

- **Safeguarding the ability of banks to support their customers on the markets**
The CMU must ensure that the local universal banks that support businesses on the markets can also **provide liquidity through market making** under economically viable conditions. In fact, this activity provides the liquidity necessary for orderly markets, allows businesses to obtain effective coverage and renders the Paris financial centre attractive to foreign investors.

***THE UPDATED FBF MASTER AGREEMENT***

***The FBF updates its master agreement on forward transactions: it is publishing new Tax and Clearing addenda taking account of the US FATCA legislation and the European EMIR regulation. The FBF master agreement enhances the image of Paris as a financial centre.***

## TWO PIECES OF LEGISLATION IN CONFLICT WITH THE CMU

The **structural reform of banks** must be discontinued or radically revised to avoid penalising the essential market making activity. Failing that, the CMU will ultimately benefit non-European financial players only and will not open up the expected prospects for SMEs and ISEs. Furthermore, draft legislation separates their deposit activities and certain trading activities deemed potentially risky while several European countries, including France, have already introduced the legislative measures needed to increase the security of these activities.

The proposal for a **financial transaction tax at the EU level (FTT)** constitutes a major obstacle in the way of setting up and developing the Capital Markets Union. Proposed in 11 of the 28 Member States, this tax creates distortions of competition and therefore causes substantial tax fragmentation within the European Union.

The tax base is in the process of being defined. If it includes corporate equities and bonds as well as derivatives, it will have serious consequences for businesses by increasing their funding costs and restricting their access to market funding. It will also have disastrous effects on the Paris financial centre, which will lose competitiveness and jobs due to the relocation of a whole range of bank financing and customer activities. Even with a very low tax rate, the effects would be considerable in a climate of globalised and keenly competitive businesses.

### *BANKS COMMITTED TO COMBATING TAX FRAUD*

***French banks support all efforts to combat fraud and tax evasion and enforce the requirements imposed in this regard.***

***The multilateral agreement developed by the OECD, signed on 29 October 2014 by 51 jurisdictions, including France, aims at implementing the Standard for Automatic Exchange of Financial Information in Tax Matters.***

***The Directive of 9 December 2014 establishes the mandatory automatic exchange of information in the field of taxation within the European Union.***

***Lastly, banks are enforcing US rules combating tax evasion (Foreign Account Tax Compliance Act or FATCA) pursuant to the intergovernmental agreement signed between France and the United States.***

The tax on financial transactions introduced in France in August 2012 resulted in a drop in transactions along the lines of 20% after its adoption and a 10% decrease over the medium term[1].

*(1) AMF, April 2014*

# OVERVIEW OF THE FRENCH BANKING INDUSTRY

The banking sector is one of the leading private economic sectors in France. In January 2015, the French banking industry numbered **383 banks**.

▪ **The contribution of finance corporations** to the total value added in France is 4.9%, including approximately 60% for the banking industry[1]. There are five French banks among the 35 largest banks in the world in terms of Tier 1 capital[2].

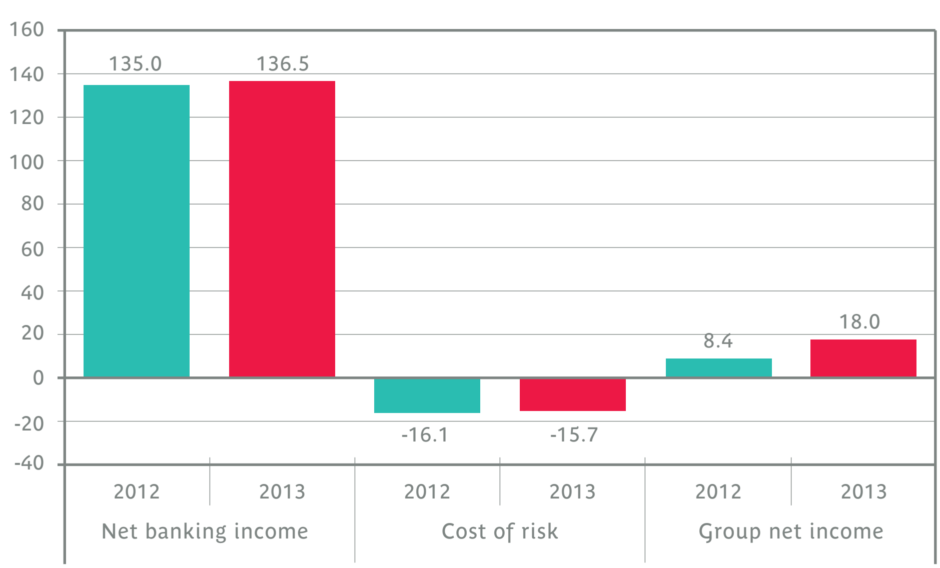
▪ **The results of the combined asset quality assessment and stress testing**, conducted by the European Banking Authority and the European Central Bank, demonstrate the high level of capitalisation of French banks. The aggregate common equity Tier 1 capital (CET1) of French banks, calculated according to CRD IV/CRR rules, stands at 11.3% and is projected at 9% in 2016 under a stressed scenario, which places them among the most resilient banks in the eurozone.

▪ The six largest French banking groups reported excellent financial performance in 2013:
- **total net banking income** of 136.5 billion euros (+1.1% compared to last year), of which retail banking activities account for 71.2%;
- **total cost of risk** of 15.7 billion euros, down 2.7%;
- **group net income** has more than doubled, rising from 8.4 to 18 billion euros *(Chart 1)*.

French banks are contending with a general economic downturn, a growing number of international and European regulatory requirements and heavier tax burdens.

Chart 1

AGGREGATE FINANCIAL PERFORMANCE OF THE LARGEST FRENCH BANKING GROUPS *(in billions of euros)*




*Source : ACPR*

*I pay tribute to this illustration of the financial strength of French banks, which enables them to ensure the funding of companies and households and to continue their initiatives for supporting investment and growth.*

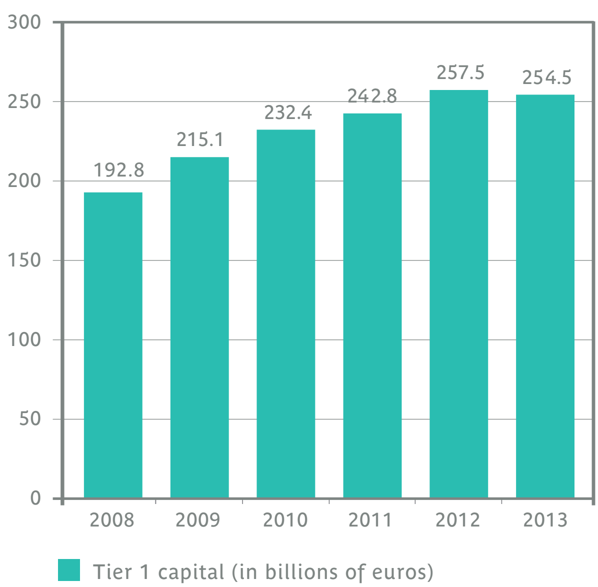
**Michel Sapin, French Minister of Finance and Public Accounts, following the results for Comprehensive Assessment by the ECB and EBA, 26 October 2014**

- **Aggregate core shareholders' equity** for the main French banking groups increased by 32% between the end of 2008 and the end of 2013 *(Chart 2)*.
- **Return on equity (ROE) of large French banks** (5.9% at the end of 2013) remained lower than that before the financial crisis and that for large French companies (6.6%[3]). It has recovered faster than the ROE of European banks (3.3%), but still remains lower than that of American banks (8.1%) *(Chart 3)*.
- **The banking industry employed more than 370,000 people** at the end of 2013, representing 2.3% of the private workforce in mainland France. The workforce declined in 2012 and 2013 due to restructuring of some activities, regulatory restrictions and the growth of digital banking. Nevertheless, the banking sector continues to recruit (24,000 new hires in 2013), and 6 out of 10 new hires are employed on permanent employment contracts compared to 2 out of 10 at the national level.
- French banks dedicate nearly 4% of their payroll to **occupational training**, compared to an average of 2.8% among corporations.
- **Employee shareholding** is highly developed in the three largest quoted banking groups, with an average capital interest of 5.7% (7.6% voting rights) at the end of 2013.

*(1) INSEE, National Accounts, base 2010*
*(2)The Banker, July 2014, Top 1,000 World Banks*
*(3) Banque de France, Companies observatory*

**Chart 2**

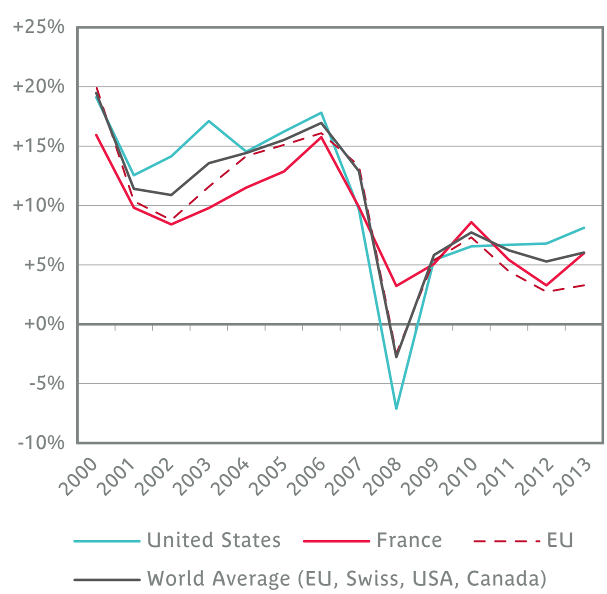
CORE TIER 1 CAPITAL OF THE LARGEST FRENCH BANKING GROUPS




*Source : ACPR*

**Chart 3**

RETURN ON EQUITY OF THE MAIN WORLDWIDE BANKING GROUPS




*Source : ACPR*

# THE FBF

*The FBF represents all French banks and foreign banks with operations in France. It establishes and defends the profession's positions on technical issues which are constantly increasing in number.*

MORE
**INFORMATION**

# PRESENTATION OF THE FBF

The French Banking Federation (FBF) is an association governed by the Law of 1901. It represents all French banks and foreign banks with operations in France in the form of subsidiaries or branch offices, whether they are European or from the rest of the world.

It was formed in 2000 from the desire to bring together all companies in the banking sector – commercial banks already enjoying membership of the French Bankers Association (AFB)[(1)] and cooperative and mutualist banks – in order to promote, with a single voice, the activity of the profession in France, Europe and internationally.

Located in Paris, the FBF is also present throughout France via a network of 105 regional and departmental committees. It also maintains offices in Brussels, and **a representative office in Frankfurt since November 2014**.

- **120 permanent staff work** at the FBF and the AFB in conjunction with more than **350 bankers** that come together in the FBF's commissions and committees. On the ground, 105 regional and departmental committees call upon the services of more than **2,500 bankers**.

- **383 banks** are members of the FBF: universal banks, online banks, merchant banks, private banks, local banks, etc. Credit institutions licensed as banks and the branch offices of credit institutions in the European Economic Area can, if they wish, become fully-fledged members of the FBF, which would then represent their professional institution. The central bodies of cooperative or mutualist banking groups and the AFB are also fully-fledged members.

The FBF is a member of the MEDEF (Movement of the enterprises of France), Paris Europlace, the competitiveness center Finance Innovation and the European Banking Federation.

## *THE FBF'S MISSIONS AND STRATEGIC PLAN FOR 2015-2017*

*The FBF's main missions are the following:*

*- promoting, in the interest of its members, banking and financial activity at the French, European and international levels,*

*- defining the profession's positions, proposals or concerns vis-à-vis public authorities and economic/financial authorities,*

*- serving as the intermediary between the banking profession and all the banking stakeholders: political and institutional spheres, media, consumers, professional associations, teachers, etc.*

*- keeping member banks abreast of current developments in the profession and regulatory changes, and answering any questions about their activities.*

*In December 2014, the executive committee of the FBF adopted the federation's strategic orientations for the next three years. The objectives are focused on several pillars:*

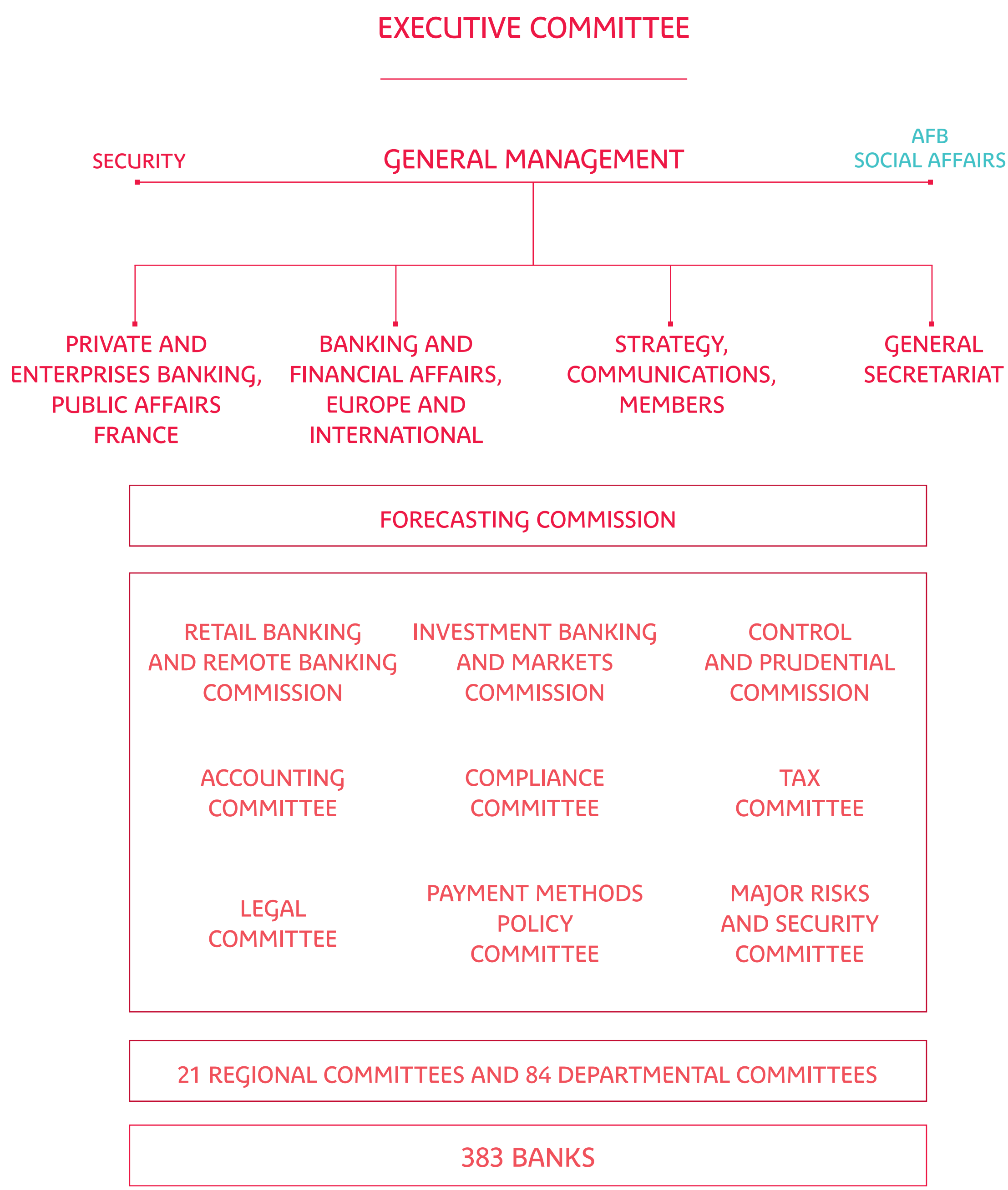
*- reaffirming the role of banks in supporting the economy,*

*- making the voice of the banking profession heard in the new decision-making centres in Europe and worldwide,*

*- promoting the federation as a centre of expertise, communication and education on financial matters.*

*(1) The French Bankers Association (AFB) sits on the FBF's executive committee, where it primarily represents small, medium-sized and foreign banks. It is the professional body of commercial banks in the social sphere.*

# THE FBF'S ORGANISATIONAL STRUCTURE



# THE FBF'S DIFFERENT BODIES

## EXECUTIVE COMMITTEE

The legal entities that are founders of the FBF are automatic members of the executive committee. They are represented by an individual that may only be the chairman or chief executive officer. Each year, the executive committee appoints one of its members to be the chairman of the FBF.

François Pérol

*Chairman of the FBF*
*Chairman*
*of the BPCE Group's Management Board*

Frédéric Oudéa

*Vice-chairman*
*of the FBF*
*Chairman and CEO*
*of Société Générale*

Michel Lucas

*FBF Treasurer*
*Chairman of the National Crédit Mutuel Confederation*

Jean-Laurent Bonnafé

*Director - CEO*
*of BNP Paribas*

Jean-Paul Chifflet

*CEO of Crédit Agricole S.A.*

Rémy Weber

*Vice-chairman*
*of the AFB*
*Chairman*
*of La Banque Postale's Management Board*

Marie-Anne Barbat-Layani

*CEO of the FBF*

## COMMISSIONS AND COMMITTEES

The commissions and committees are constituted by the FBF's executive committee which appoints their chairmen. They are responsible for examining the profession's technical issues and drawing up proposals which, when they involve the profession, are submitted for deliberation by the executive committee. The commissions and committees consist of twenty or so members from different banks.

***Forecasting Commission***
*Chairman:*
Jean-Laurent Bonnafé
*Director-CEO*
*of BNP Paribas*

***Retail Banking and Remote Banking Commission***
*Chairman:*
Jean-Paul Chifflet
*CEO of Crédit Agricole S.A.*

***Investment Banking and Markets Commission***
*Chairman:*
Frédéric Oudéa
*Chairman and CEO of Société Générale*

***Control and Prudential Commission***
*Chairman:*
François Pérol
*Chairman of the BPCE Group's Management Board*

***Accounting Committee***
*Chairman:*
Gérard Gil
*Head of General Accounting at BNP Paribas Group*

***Legal Committee***
*Chairman:*
Pierre Minor
*Head of Legal and Compliance at Crédit Agricole S.A.*

***Compliance Committee***
*Chairman:*
Patrick Suet
*Corporate Secretary of Société Générale*

***Tax Committee***
*Chairman:*
Patrick Suet
*Corporate Secretary of Société Générale*

***Payment Methods Policy Committee***
*Chairman:*
Jean-Yves Forel
*CEO Retail and Commercial Banking, Groupe BPCE*

***Major Risks and Security Committee***
*Chairman:*
Aline Bec
*Deputy CEO Operations, BPCE*

# 120 EMPLOYEES AT THE FBF AND AFB

*Jean-Claude Guéry*
*Jean-François Pons*
*advisers beside the CEO*

*Marie-Anne Barbat-Layani*
***CEO***

Marilyne Boudy
Valérie Bréard

**AFB**
*Philippe Gendillou*
*Head of Social Affairs*
Hélène Ricaud

*Christian Lothion*
*Security Adviser*

***Assistants :***
Céline Houehunpe

***Head of mission :*** Jean-Marc Bing

*Richard Boutet*
***Director***

***Assistants :***
Géraldine Guillaumot

*Benoît de La Chapelle Bizot*
***Director General Delegate***

Sophie Bertomeu

*Valérie Ohannessian*
***Deputy CEO***

Michelyne Didin

*Ermelina Debacq*
***Corporate Secretary***

Elise Binet

## PRIVATE AND ENTERPRISES BANKING, PUBLIC AFFAIRS FRANCE

**Retail banking and remote banking: Pierre Bocquet**, Sylvie Augros, Olivier Balmont, Frédéric Paulic, Alain Richon, Guillaume Soler
**Payment systems and methods: Willy Dubost**, Sylvie Auré, François Coulet, Ivan Huant, Camille Ly, Xavier Mendiboure, Aline Mottet, Jérôme Raguénès
**Fiscal expertise: Blandine Leporcq-Salles**, Savena Jeyarajah, Nicolas Rosanne, Tania Saulnier
**French institutional relations: Séverine de Compreignac**, Nathalie Picot, Estelle Toullec-Marquot

## BANKING AND FINANCIAL AFFAIRS, EUROPE AND INTERNATIONAL

**Investment banking and markets: Jean Tricou**, Christelle Duchaine, Mariel Gansou, Olivier Mittelette, Philippe Poeydomenge
**Legal and compliance expertise: Alain Gourio**, Lucie Batier, Carole de Gaulle, Marie Gillouard, Marine Guyon-Godet
**Banking and accounting supervision: Bertrand Lussigny**, Corinne Cottin, Isabelle Huard, David Labella, Alexandra Merlino, Sarah Quemon
**European and international public affairs and export finance: Benjamin Quatre**, Pascale Brien, Antoine Garnier (in Bruxelles) - Marie-France Gerber-Guzniczak, Pascale Chabrillat, Angéla Hiridjee (in Paris)

## STRATEGY, COMMUNICATIONS, MEMBERS

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**Documentation:** Elisabeth Danton-Petit, Sarah Courdavault, Védi Hekimyan, Olivier Lhomme, Sandrine Nicolas
**Economic research:** Timothée Waxin
**Members:** Aude Mesnard, Catherine Gaillon, Caroline Leguy
**Multimedia :** Vincent Nickelsen, Nicole Flah, Maxime Zitouni
**Regional action:** David Verfaillie, Florence Amblard
**Banking information centre/Les clés de la banque: Anne-Catherine Derck**, Jérôme Cartenet, Béatrice Durand, Anna Samocka

## GENERAL SECRETARIAT

**Financial :** Sophie Denhaene, Marie-Claude Doloir, Fabienne Ferlet, Ousmane Konate, Malik Tabi
**IT and organisation:** Frédéric Guinet, Cédric Cefber, Fabienne Fontaine, Cédric Martine, Bruno Vandewalle
**Human resources:** Véronique Béal, Christine Leduc
**General services:** Emilie Dessaux, Katia Bartek, Fabrice Boronat, Frédéric Ducamp, Raphaël Garcia, Francis Gravet, Léonie Magdeleine, Miguel Monteiro, Hugues Stupnicki

## MEDIATION WITH THE FBF

Rachida Ait-Ouahmane, Lydia Flom-Sadaune, Sandie Palma

## AFB

**Social relations:** Michèle Rossi, Laurène Betito, Patricia Désuert, Brigitte Hoffmann, Florence Le Texier, Jacques Vessaud
**Observatory and surveys:** Béatrice Layan**, Christel Bénard, Barbara Gicquel, Mélanie Hulin

** As from 1 February 2015 replacing Colette Cova.*
*** As from 1 June 2015 replacing François Laffond.*

# FBF KEY FIGURES FOR 2014

**58**
**FBF press releases** and 20 regional press releases

**more than 600**
**press mentions** including 120 in the regional press articles

**1 million**
**page visits** at fbf.fr

**2,200**
**followers** on Twitter @FBFFrance

**3.8 million**
**page visits** at lesclesdelabanque.com website

**500,000**
"Les clés de la banque" **mini-guides** distributed, including 140,000 downloads

**60,000**
**views** of FBF videos on youtube including 25,000 views for the "Les clés de la banque" videos

**9,400**
**subscribers** to the FBF Extranet, reserved to members only, of whom 900 were new subscribers in 2014

**nearly 25**
**conferences** in which 2,000 bank employees took part

**140**
**policy** discussions in France

**200**
**meetings** in Europe and worldwide

**60**
**FBF responses** to official consultations organised by the authorities, of which 80% were European or international

# GLOSSARY OF ACRONYMS

**ACPR**: Autorité de Contrôle Prudentiel et de Résolution *(Prudential Supervision and Resolution Authority)*

**AFECEI**: Association Française des Etablissements de Crédit et des Entreprises d'Investissement *(French Association of Credit Institutions and Investment Companies)*

**BRRD**: Banking Recovery and Resolution Directive *(directive 2014/59/EU of 15 May 2014)*

**CCSF**: Comité Consultatif du Secteur Financier *(Financial Sector Consultative Committee)*

**CET1**: Common Equity Tier One

**CMU**: Capital Markets Union

**CRD IV**: Capital Requirements Directive 4 *(directive 2013/36/EU of 26 June 2013)*

**CRR**: Capital Requirements Regulation *(regulation (EU) No 575/2013 of 26 June 2013)*

**DGS**: Deposit Guarantee Schemes *(directive 2014/49/EU of 16 April 2014)*

**EBA**: European Banking Authority

**ECB**: European Central Bank

**EMIR**: European Market Infrastructure Regulation *(regulation (EU) No 648/2012 of 4 July 2012)*

**ESNI**: Euro Secured Notes Issuer

**EURO PP**: Euro Private Placements

**FATCA**: Foreign Account Tax Compliance Act

**FTT**: Financial Transaction Tax

**ISE**: Intermediate-Sized Enterprise

**LCR**: Liquidity Coverage Ratio

**MIFID II** : Markets In Financial Instruments Directive 2 *(directive 2014/65/EU of 15 May 2014)*

**MIFIR**: Markets In Financial Instruments Regulation *(regulation (EU) No 600/2014 of 15 May 2014)*

**MREL**: Minimum Requirement for own funds and Eligible Liabilities

**NSFR**: Net Stable Funding Ratio

**PRIIPs**: Packaged Retail and Insurance-based Investment Products *(regulation (EU) No 1286/2014 of 26 November 2014)*

**PSD2**: Payment Services Directive 2

**SEPA**: Single Euro Payments Area

**SME**: Small and Medium-sized Enterprise

**SRB**: Single Resolution Board

**SRF**: Single Resolution Fund

**SRM**: Single Resolution Mechanism

**SSM**: Single Su¬pervisory Mechanism

**TLAC**: Total Loss Absorbing Capacity

**TLTRO** : Targeted Longer-Term Refinancing Operations

**TPP**: Third Party Payment service providers

**VSE**: Very Small Enterprise

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Document devised and produced by the French Banking Federation's Strategy, communications, members department.

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Draft completed on 15 March 2015
Printing completed on April 2015

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Head of Publications
Marie-Anne Barbat-Layani

—

Legal filing Q1 2015
ISSN in the process of being attributed

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Graphic design of the cover
and production:Allégories Créations

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