

THE BANKING INDUSTRY IN 2019



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Editorial



Maya Atig

Chief Executive Officer of the FBF



Frédéric Oudéa

FBF Chairman

In 2019, banks renewed their commitment to serve each and every one of their clients. Together and individually, French banks responded strongly to ever increasing economic and societal expectations. The exceptional circumstances we are seeing in 2020 have reaffirmed this responsiveness.

INVOLVEMENT

Be it in response to the challenging social environment in France in early 2019 or the unprecedented coronavirus outbreak in early 2020, banks act fast to deliver far-reaching solutions to all their clients – financially vulnerable individuals, retailers, artisans and businesses affected by social unrest or the coronavirus crisis.

This is tangible proof of the key role banks play in society, where they are present across the country and at all key stages in their customers' lives. They will continue to provide an appropriate response whenever necessary.

FINANCING

True to their role of financing the economy, banks help businesses and individuals achieve their plans. The French lending model is responsible and robust, ensuring that both borrowers and lenders remain solvent.

Lending growth was strong in 2019, with a 5.8% increase in loans, and interest rates are among the lowest in Europe.

LOCAL PRESENCE

French banks employ 362,800 people across France, and their network of bank branches providing access to banking services and cash is among the densest in Europe. Meanwhile, banks are pursuing their digital transformation and responding to clients' new usage habits. Digital solutions round out and enhance banks'

commitment to being close to their customers. As such, banking services are always available to meet customers' needs in all circumstances.

CLIMATE

French banks have a long-standing commitment to helping their clients manage the energy transition and have collectively reaffirmed their intention to take things further, for example with the creation of an industry-wide Observatory, their work on measuring climate risk exposure, fossil fuel divestment policies, and the ramping up of renewable energy financing.



The response is tangible proof of the key role banks play in the economy and society, where they are present across the country and at all key stages in their customers' lives.

SECURITY

Digitalisation poses a major challenge in terms of transaction security and the protection of clients' data and funds. Banks are addressing this with massive investments in cyber security. A level playing field between all players is needed in this respect. European data protection regulations must be upheld.

EUROPE

The European Union's sovereignty and independence in the extremely strategic areas of payments and financing are crucial. Following their renewal in 2019, the European institutions must maintain the European Union's sovereignty with a strong payments industry and by preserving the specific features of its financing system when enacting the Basel Accords. For French banks, this will be one of the main challenges of 2020, since the implementation of these Accords has been postponed to 2023.

They remain fully committed to serving all their customers and to financing the economy in France and Europe.

Draft completed on 30 March 2020

KEY FIGURES

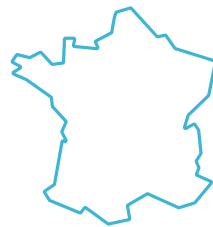
FOR THE FRENCH BANKING INDUSTRY



**EUROPEAN
LEADERS**

**5 FRENCH BANKS
AMONG THE EUROZONE'S TOP 10 BANKS**

S&P Global Market Intelligence – 2018



**340 BANKS
36,519
BRANCHES**

ACPR 2020 - ECB 2018

1,061



**BILLION EUROS IN LOANS
TO BUSINESSES**

Banque de France – end-December 2019



2,545

**BILLION EUROS IN LOANS
TO THE ECONOMY**

Banque de France – end-December 2019



**1 BANK
BRANCH
FOR 1,835
INHABITANTS**

ECB – Eurostat – 2018

84%

**OF FRENCH PEOPLE
CONSIDER BANKING
A STRATEGIC SECTOR
FOR THE FRENCH ECONOMY**

IFOP survey – 2018

2.3%

**THE BANKING
SECTOR'S
CONTRIBUTION**

TO TOTAL ADDED VALUE IN FRANCE

Insee 2018 – FBF calculations

82%

**OF FRENCH PEOPLE
HAVE A POSITIVE OPINION
OF THEIR BANK**

BVA Image survey
of banks – 2018

362,800

EMPLOYEES FBF scope – 2018



42,300

PEOPLE HIRED IN 2018 FBF

1,078

BILLION EUROS IN OUTSTANDING HOME LOANS

Banque de France – end-December 2019

54,786

AUTOMATIC TELLER MACHINES

ECB – 2018



75 MILLION PAYMENT CARDS IN FRANCE
ECB – 2018



3.3 BILLION CONTACTLESS TRANSACTIONS IN 2019
GIE CB

97%

OF SMES OBTAIN ALL OR MORE THAN 75% OF THE INVESTMENT LOANS THEY REQUIRE

Banque de France – 4th quarter 2019



THE FRENCH BANKING INDUSTRY

The banking industry is a vital asset for the French economy and regional development. In an uncertain, increasingly open world, banks face many challenges in maintaining their capacity to meet the needs of all their customers.

01 A STRATEGIC
INDUSTRY

02 CHALLENGES FOR THE FUTURE

01 A STRATEGIC INDUSTRY

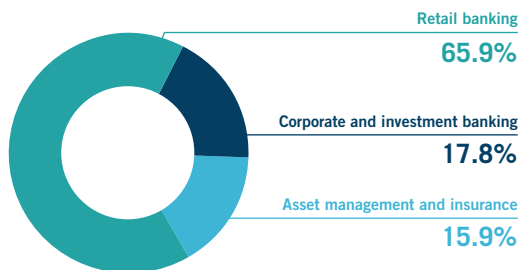
The local universal banking model specific to France is a tried-and-tested model. Boosted by the growth of digital solutions, this model is increasingly focusing on relational proximity.

A solid universal banking model

The universal banking model is specific to banking in France, enabling it to contribute effectively to the economy on favourable terms. Under this model, **a single bank offers a full range of services** to meet the needs of all customers: individuals, professionals, SMEs, large corporations, financial institutions, local authorities, governments, etc. The diversification of sources of revenue and risks ensures security and stability.

BREAKDOWN OF NET BANKING INCOME BY BUSINESS LINE FOR THE BIGGEST FRENCH BANKING GROUPS IN 2018

Source: ACPR



With banks on the leader board in **European and international rankings**, banking is a strategic industry for our country. Four French banks rank among the world's top 20 banks and five are in the top 10 in the eurozone (source: S&P Global, 2019).



French banks **have continuously improved their financial strength over more than 10 years**: with €312 billion in Tier 1 capital, the six biggest French banks have more than doubled their capital adequacy ratio, which stood at 13.6% in 2018 (versus 5.8% in 2008) (source: ACPR).

The robustness of French banks was confirmed by the IMF in its Financial Sector Assessment Program (FSAP) report published in July 2019, which emphasised that regulations set up after the global financial crisis have improved its overall resilience.

A local presence serving everyone

Along with the universal banking model, banks' local presence is another hallmark of the French banking sector. With their presence throughout the country, banks contribute to economic life in urban and rural areas alike while maintaining strong local relationships with their customers.

Thanks to the network of 36,519 bank branches (source: ECB, 2018), French people have access to a local point of contact for their banking needs. Cash withdrawals are widely available with over 76,000 distribution points, including 54,786 ATMs (source: GIE CB, 2018) and other private cash withdrawal points across France (source: Banque de France, 2019).

While the number of bank branches is falling, the pace of decline is slower in France (4.7% from 2009 to 2018) than in the eurozone (26.4% on average) (source: ECB, 2018). This decline goes hand-in-hand with the **growth of new uses** – while branch visits are falling, digital banking offers a wide range of products and services available 24/7. Digital services extend and enhance banks' physical presence by enriching their client relationships.

OF FRENCH PEOPLE SAY THAT THEIR IDEAL BANK WOULD ALLOW THEM TO SWITCH BETWEEN IN-BRANCH AND DIGITAL BANKING AS REQUIRED

Source: IFOP, survey of French people, their banks and their expectations, May 2019

A dynamic player on the labour market

With more than **42,300 new hires in 2018**, the French banking sector is one of the leading private employers in France.

The 362,800 people who work in banks account for **1.9% of private sector salaried staff** in France (source: FBF, 2018).

The total headcount has been falling slightly since 2011 (by less than 1% per year on average), though this decline is slower than the 2.7% reduction in the headcount in the eurozone as a whole (source: ECB, 2018).

The banking sector offers **long-term, highly qualified jobs**: more than 98% of employees have permanent contracts and 68% of new permanent hires had managerial level status in 2018.

Women make up a high proportion of the banking workforce: 57% of bank employees and 48% of managerial level staff were women in 2018 (+4 points since 2012). To put this in perspective, women make up 48.1% of the total active population in France and 32.3% of managerial grade professionals, according to the Skema Observatory survey of women in the workplace.

Banks invest heavily in training. In 2018, the banking sector allocated 4.6% of its total payroll, representing around €500 million, to on-the-job training for its employees. Nearly 100% of employees attended at least one training course, and 12.6% of technical level staff were promoted.

Banks place great importance on professional inclusion and have **active work-study programs**: in 2018, they took on more than 6,200 students under apprenticeships or professionalization contracts (source: AFB-member banks).

02 CHALLENGES FOR THE FUTURE

EU sovereignty in financing and payments, the consequences of Brexit, lasting low interest rates, financing the energy transition, etc.
The banking industry faces many challenges in 2020.

Basel III and its transposition in the EU

The forthcoming transposition of the Basel agreement of December 2017 will be crucial for the banking sector across Europe. This transposition must first take into account the specific features of European financing to ensure European banks can continue to finance the economy. The EU's financial independence is at stake.

Impact of lasting low interest rates

Low interest rates are continuing to compress banks' net interest margin. In 2018, the return on equity of the main French banking groups stood at 6.7% (source: ACPR), which compares with a rate of over 10% in the early 2000s.

High expectations from society

In this challenging business environment, banks are meeting growing expectations from society, be it in terms of fostering inclusion in all its forms or supporting vulnerable individuals, etc. Banks take a responsible approach to all these issues, but cannot replace social services or government assistance.

Brexit – an opportunity for Paris

Banks have been preparing for the United Kingdom's withdrawal from the European Union for two years to ensure continuity of service for all their customers. Certain measures have also been taken at a national and European level to adjust the legal and regulatory framework to the impact of Brexit in financial terms. The UK's withdrawal is an opportunity for the Paris financial centre, which boasts high-performance financial companies and major corporate issuers, a diversified range of activities and recognised financial expertise.

Financing for the climate – a priority

French banks are pioneers in green and responsible financing. The Paris financial centre has been committed in this area since the COP 21 Summit in 2015. Legal and regulatory initiatives must allow banks to go further in helping all their customers with green financing solutions and ever greener projects.

EU sovereignty in the digital era

In an ever-more open and an increasingly digital world, the EU must protect its sovereignty with a strong payments sector backed by European infrastructure. This ambition also extends to data protection, which must be encouraged.



RESPONSIBLE BANKING

Financing for the climate, support for inclusion
in all its forms, combating money laundering...
banks' engagement with society spans many areas.

- 01 ACTION FOR THE ENERGY TRANSITION –
A PRIORITY
- 02 PROFESSIONAL INTEGRATION
FOR YOUNG PEOPLE
- 03 INCREASED EFFORTS TO PREVENT
MONEY LAUNDERING AND TERRORIST
FINANCING

01 ACTION FOR THE ENERGY TRANSITION – A PRIORITY

French banks are spearheading green and sustainable finance.

New climate commitments

French banks have established an internationally renowned reputation in green finance. They have launched many initiatives, both individually and collectively, to meet the challenge of financing the energy transition. In 2019, they ramped up their commitment to a new level.

In the **Paris Europlace declaration on 2 July 2019**, French banks reiterated their collective commitment to combat climate change and help achieve the goal of carbon neutrality by 2050. The declaration announced the creation of an observatory to monitor the actions and achievements of members of the Paris financial centre in green and sustainable finance, as well as ongoing methodological research in partnership with the supervisory authorities on assessing portfolio exposure to climate risk. Banks also undertook to implement coal strategies with a global divestment timetable.

In September 2019, the FBF officially endorsed the **UNEP FI Principles for Responsible Banking**. These Principles provide a framework for sustainable banking, developed in partnership with banks from around the world and the UNEP FI.

To take things further still, for several years French banks have been promoting the **Green Supporting Factor**, a prudential capital weighting system designed to encourage financing and investments in the energy transition.

Banks & Climate: a reference document

These actions support the bold policies adopted by banks for the economy of the future. To showcase French banks' initiatives in this area, the FBF published the third edition of **Banks & Climate**, a reference document setting out banks' main climate actions and bearing witness to the wide range of solutions available to individuals and professionals to foster a greener economy.



Ahead of the fifth Climate Finance Day, the **FBF's Executive Committee** signed a manifesto emphasising French banks' commitment to the ecological transition and reaffirming their intention to ramp up their efforts to foster a low carbon, inclusive, environmentally friendly economy. This manifesto was published in the national and regional press.



02 PROFESSIONAL INTEGRATION FOR YOUNG PEOPLE

Social and professional integration is a key part of French banks' commitment. Banks finance many initiatives in support of entrepreneurship and financial education.

Integration through employment

As a partner of several associations working to foster professional integration, in particular through entrepreneurship, the FBF remained active throughout 2019.

The FBF organised a training day for the **Les Déterminés** association's tenth class in February, followed by the graduation ceremony on 11 March. The FBF has partnered Les Déterminés since 2016, contributing to the support it provides to a hundred young entrepreneurs, 61% of whom are women.

On 3 June, the FBF hosted the 25th anniversary gala for **Action'elles**, a network of women entrepreneurs that helps women set up a business as well as those seeking to develop their activity, skills or network. In November, for the second consecutive year, Action'elles held its annual forum, "Femmes Osez TOUT Entreprendre" (Women, Show your Spirit of Enterprise), at the FBF's offices.

In 2019, the FBF was a partner of the **Apprentiscène** contest, which has used theatre to promote apprenticeships and their values for over 15 years. On 13 May, the FBF awarded the Jury's Favourite prize at the competition final, which was contested by 16 apprentices studying for a BTS diploma in Banking. With 10,000 young people trained in banks each year, apprenticeships are an effective way of ensuring professional integration.

Integration through financial education

Social integration involves providing financial education to tomorrow's citizens. As such, since 2004 – over 15 years ago – the FBF has developed solutions on managing a budget and understanding everyday banking through its education programme, "**Les clés de la banque**" (The Keys to Banking). **This programme is an integral part of the national financial education strategy** launched in 2016, which is implemented locally under partnerships signed by the 103 FBF territorial bank committees with social workers and associations, for example associations of consumers.

The **Invite a Banker to Class** initiative, which is part of this financial education programme, enjoyed another record year in 2019: nearly 20,000 9-11 year-olds in 800 classes across France learnt about managing a budget and using means of payment. Over 44,000 pupils have taken part in this initiative since its launch in 2015.

Its relevance was confirmed by a Harris Interactive opinion poll conducted in March 2019 for the FBF. Children's relationship with money begins from a young age, and from age 9 on average children manage their own budget and become interested in the basics of financial education.



03 INCREASED EFFORTS TO PREVENT MONEY LAUNDERING AND TERRORIST FINANCING

The banking industry has always been fully invested in the fight against money laundering and terrorist financing. Banks are the main contributors to these efforts, with continual investments.

A large number of suspicious transaction reports

The French banking industry is fully committed to the fight against money laundering and terrorist financing. In 2018, banks made 50,756 suspicious transaction reports to the financial intelligence unit, Tracfin, accounting for nearly 67% of all reports filed. In terms of content, Tracfin noted that, “**the quality of suspicious transaction reports is overall satisfactory and has been improving for several years**” (Tracfin, 2018 Annual Report).

NEARLY
67%
OF SUSPICIOUS TRANSACTION
REPORTS TO TRACFIN ARE MADE
BY BANKS

Source: Tracfin, 2018 Annual Report

Stricter rules with the 5th AML Directive

The enactment into French law in early 2020 of the fifth European Anti-Money Laundering Directive of 30 May 2018 introduced new measures to **further improve the fight against money laundering:**

- new due diligence measures applicable to countries where anti-money laundering and counter terrorist financing systems show shortcomings are introduced to allow for

better monitoring of financial flows from these countries. The European Commission will publish a list of these high-risk countries;

- for prepaid card payments, the threshold for exemption from due diligence requirements is lowered from €250 to €150;
- for obligations regarding the identification and verification of the identity of customers using remote banking services, innovative electronic identification processes may be used in certain cases.

Application of financial penalties

The banking sector is continuing to work with the government on measures to **combat the financing of terrorism, nuclear proliferation and the application of restrictions on certain countries.**

This involves complying with financial and economic sanctions set at a national, European and international level. Accordingly, French banks applied over 140 decrees implementing asset freezes in 2019, as well as observing financial and economic sanctions adopted at the European level.

OVER
140
DECREES IMPLEMENTING FRENCH ASSET
FREEZES IN 2019

Source: Official Journal



FINANCING

Financing the economy is banks' main business.
Banks help business and individuals
achieve their plans.

01 FINANCING BUSINESSES

02 FINANCING INDIVIDUALS

01 FINANCING BUSINESSES

The number one strategic priority for French banks is to finance businesses, and in particular VSEs and SMEs, whose economic development is crucial for growth and employment across the country.

Dynamic lending to businesses

Lending to individuals and businesses is dynamic and robust, **increasing by 5.8% in 2019**. Outstanding loans amounted to **€2,545 billion** (Banque de France, December 2019).

Total loans to businesses amounted to **€1,061 billion**, an **increase of 5% year on year**, including €762 billion in investment loans (+6.3% year on year) and €238 billion in cash flow financing (-0.3% year on year) (Banque de France, December 2019). This growth in lending to businesses in France outstrips that in the eurozone, where it stands at 2.6% (ECB, December 2019).

Credit risk is well managed in France, as French banks' **non-performing loan ratio** is lower than the average of European banks at 2.6%, compared with 2.9% (EBA, 3rd quarter 2019). As a percentage of the balance sheet, the cost of risk declined from 0.41% in 2009 to 0.11% in 2018 (ACPR).

French banks' universal banking model allows them to offer a full range of services to help businesses obtain financing, including on the capital markets, and to support their growth.

Lending to VSEs/SMEs remains strong

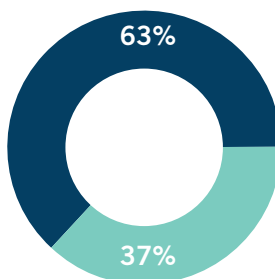
Growth in lending to SMEs is stronger in France than in the eurozone. **The country's 1.1 million small and medium-sized enterprises are the main beneficiaries of loans to businesses**, with €436.7 billion in outstanding loans, up 6% year on year (Banque de France, December 2019), while interest rates are lower in France than in the eurozone (1.69% on average in France, versus 1.88% in the eurozone) (ECB, December 2019).

SMEs continue to enjoy easy access to investment loans: 97% of SMEs obtain all or more than 75% of the loans they require. Short-term credit facilities are also easily available: 89% of SMEs obtain all or most of the loans they require. (Banque de France, 4th quarter 2019, survey of 4,000 SMEs and 2,500 VSEs)

VSEs also have easy access to loans with €300.2 billion in outstanding loans, up 8.6% year on year, and €16.6 billion in new loans, half of which were equipment loans. Loan applications are still largely accepted: 88% of VSEs obtain all or the majority of the loans they require. (Banque de France, 4th quarter 2019)

SOURCES OF FUNDING FOR BUSINESSES IN FRANCE

Source: Banque de France, December 2019



€1,061 bn from bank credit
+5% year on year

€621 bn from the market
+6.8% year on year

Easy access to financing according to the OFE

The report of the Observatory for Corporate Financing (OFE) published on 18 December 2019, provides an overview of financing for VSEs/SMEs. Updating its 2014 report, the OFE concluded that **access to financing was no longer a concern for VSEs/SMEs** and that it has never been easier for them to obtain loans. Lending is particularly dynamic and interest rates are very low. The relationship between VSEs/SMEs and their banks has improved in recent years.

However, the report emphasised several topics needing attention: inter-company payment times, for which the length of delays is stable, the challenges for the future such as the digital transformation, and the integration of environmental issues.

It also pointed out the need to improve financial skills among small business leaders. **The banking sector has been involved in financial education for more than 15 years.** With its educational programme, “Les clés de la banque”, the FBF provides entrepreneurs with a range of resources, in particular covering financing solutions. In 2019, it updated several mini-guides: “Bills of exchange”, “Cash flow requirements”, and “Preparing a financing plan”.



“Les clés de la banque” mini-guides published in 2019

PACTE law: steering savings towards SMEs

The PACTE law on business growth and transformation of 22 May 2019 introduced several measures to better channel savings towards products that invest in businesses’ capital:

- **the merging of limits on PEA equity savings plans and PEA-PME equity savings plans investing in SMEs** allows savers to invest up to €225,000 in PEA-PME plans (previously capped at €75,000). The terms of this measure were set out by decree on 22 August 2019;
- **a new retirement savings plan (PER)**, available from 1 October 2019, allows savers to build up long-term savings while financing businesses by investing in their capital.

CUSTOMERS AFFECTED BY DEMONSTRATIONS: BANKS TAKE ACTION

2019 was marked by nationwide social unrest with the “gilets jaunes” (yellow vest) protests continuing throughout the year, and demonstrations against pension reform. Banks responded by pledging to pay close attention to the individual situation of retailers, artisans or businesses impacted by the demonstrations in order to find appropriate solutions on a case-by-case basis, in particular to cover short-term financing needs.

02 FINANCING INDIVIDUALS

Housing, consumption, energy efficiency renovations, low energy products, etc.
Banks finance individuals' personal projects.

Over €1,300 billion in loans

Loans to individuals for the purchase of a home or consumer goods account for **just over half of total outstanding loans in France**, amounting to €1,302 billion, up 6.6% over one year (Banque de France, December 2019).

Home loan financing remains solid, accounting for **nearly 83% of outstanding loans, or €1,078 billion**, an annual increase of 6.8%. Consumer loans totalled €191 billion, an increase of 5.8% in one year (Banque de France, December 2019).

Outstanding home loans are **rising faster in France than in the eurozone**, where they increased by 3.9% (ECB, December 2019). Nearly 27% of all home loans in the eurozone are granted by a bank in France (ECB, 2nd quarter 2019).

Responsible lending

Each month, banks in France grant nearly €26 billion in loans, based on an **assessment of each borrower's repayment capacity**. Loan origination is underpinned by a high level of loan renegotiations (accounting for more than 25% of home loans granted in December) and historically low interest rates (1.17% at end-December) (Banque de France, December 2019). To protect their clients, banks analyse the affordability ratio on an individual basis, in line with each borrower's personal situation.

According to the Observatory for Household Loans, **47.4% of households had at least one loan in 2019** (47.8% in 2018).

The percentage of households with home loans is high, at 31.1%. Households' sentiment that their financial position is improving sharply suggests that the number of households intending to take out a home loan will pick up in 2020.

Banks finance energy efficiency projects

Banks have helped individual customers finance their energy transition for many years. They have been mobilising their networks to distribute solutions to finance energy efficiency renovations, including regulated schemes such as the éco-PTZ interest-free eco-loan available to individuals and condominiums. From 1 July 2019, **the new éco-PTZ**, which has been extended until 2021, revitalised the programme to make it more accessible to individual customers. Banks played their part, with origination increasing by 60% in 2019 in relation to 2018 (source: SGFGAS).

In addition, in 2019, banks offered **preferential lending terms** to make it easier for individuals to finance the purchase of an eco-friendly new or used vehicle or low energy equipment for the home, as they had promised at the end of 2018 in response to the "yellow vest" protests.



DAY-TO-DAY BANKING

Serving their customers with close, local relationships, banks offer services and solutions to meet their needs. They pay close attention to financially vulnerable customers.

- 01 COMMITTED TO FINANCIAL INCLUSION
- 02 TAILORED BANKING SERVICES
- 03 A HIGH LEVEL OF INDIVIDUAL SAVINGS

01 COMMITTED TO FINANCIAL INCLUSION

Banks fulfilled their pledge made in late 2018 to cap payment incident fees and provide support to financially vulnerable customers.

Payment incident fees: promises kept

To make a positive contribution to ensuring financial inclusion for all, in the first half of 2019, banks kept the promises they had announced the previous year, in full compliance with competition law. They improved the content of their specific range of services for vulnerable customers, making it more effective and more attractive, and **capped fees on payment and account management incidents** for all customers benefiting from this range of services.

In June 2019, the Banking Inclusion Observatory (OIB) noted that banks had duly applied these voluntary measures. In October, the Governor of the Banque de France confirmed the reduction in payment incident fees for customers identified as being financially vulnerable. He called on banks to do more to identify vulnerable customers “faster and more effectively”.

To better promote the range of services for vulnerable customers, the FBF updated its mini-guide on “Managing your account when incidents occur (the specific range of services)” and published a new guide on “Solutions for financially vulnerable individuals”.



Banking and vulnerable customers: concrete examples

On 21 June 2019, the FBF and the association Crésus, which helps over-indebted individuals, organised a conference on **providing prevention and support to financially vulnerable individuals**. The conference was held under the patronage of the French President and brought together representatives of associations, banks and politicians, including Pierre Moscovici, European Commissioner for Economic and Financial Affairs, Taxation and Customs, Christelle Dubos, Minister of State for Solidarity and Health, and Bruno Le Maire, Minister of the Economy and Finance.



In May, the FBF published a report entitled “**Banks & vulnerable people**” setting out the main solutions for accessing banking services and steps taken by banks to help vulnerable customers. The report includes articles by leaders of banks and associations, the Minister of the Economy and Finance and the Governor of the Banque de France.

02 TAILORED BANKING SERVICES

Banks adjust their services to best meet their customers' needs.
Borrower's insurance is improved. Banks ensure access to cash across the country.

Progress with the AERAS Agreement

The AERAS Agreement aims to make it easier for persons who have, or have had, a serious health problem to obtain insurance and loans. The new AERAS Agreement, which was adopted by all parties including the banking sector and the government in July 2019, marks a step forward with new features: **it extends the conditions under which persons having recovered from cancer can benefit from the 'right to forget'**; and it also improves the information provided to borrowers eligible for the AERAS Agreement.

To foster information and communications on the 2019 Agreement, the FBF updated the "Les clés de la banque" mini-guide, which is available free of charge on its websites.



Borrower's insurance policy anniversary date

In March 2019, the banking sector updated its Professional Best Practice guide to make it easier for banks to implement customers' **right to cancel home loan borrower's insurance policies on an annual basis**.

The anniversary date of all borrower's insurance policies is deemed to be the date on which the borrower signs the loan offer.

This decision marks a real step forward by ensuring that borrowers can terminate their payment protection insurance policies smoothly, as observed by the CCSF (Financial Sector Consultative Committee) in its annual report in May 2019.

Easy access to cash

French banks' strong local presence is reflected in the vast network of cash withdrawal points. In July 2019, the Banque de France published a report confirming that French people have easy access to cash via **76,000 withdrawal points across the country**, including more than 54,000 ATMs (source: GIE CB).

98.9% of the population lives in a town with at least one ATM or within 15 minutes' drive of the nearest town with an ATM (source: Banque de France, 2019).

Banks did not increase bank fees for individual customers in 2019, to boost consumers' purchasing power. This commitment was noted by the Bank Fees Observatory in February 2019 and confirmed in its 2019 report.

03 A HIGH LEVEL OF INDIVIDUAL SAVINGS

Low risk savings accounts are the most popular.

Increase in savings

With a savings rate of 14.9%, French households have considerable savings.

Their financial assets primarily comprise:

- **€3,477.6 billion in fixed income products** (demand deposits, interest-bearing deposits including regulated savings accounts, money market funds, euro life insurance policies, debt securities, etc.;
- **€1,795.7 billion in equity products** (listed or unlisted equities, unit-linked life insurance policies) (Banque de France, 3rd quarter 2019).

Within these outstandings, regulated savings accounts totalled €751 billion at the end of 2018, representing 15% of French people's financial assets (Observatory of Regulated Savings, report of July 2019).

In 2019, net inflows into the Livret A and LDDS passbook savings accounts totalled €16.55 billion, including €12.64 billion for the Livret A alone. Outstanding deposits in these two savings accounts amount to €410.9 billion (Caisse des Dépôts, December 2019).

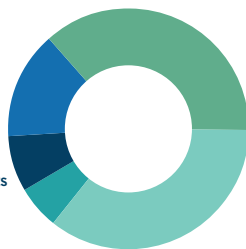
267.5 Livret A accounts

276.4 PEL accounts

107.2 LDDS accounts

56.7 Other savings accounts

43.3 LEP accounts



€751BN IN REGULATED SAVINGS ACCOUNTS IN 2018

Source: Observatory of Regulated Savings, report of June 2019

Greener and solidary savings products

Under the PACTE law on business growth and transformation of 22 May 2019, a portion of the amounts saved in Livret A and LDDS passbook accounts is intended to finance projects in support of the **energy transition or reducing the climate footprint** instead of simply financing energy efficiency renovations in older homes as in the past.

The solidarity-based component of the LDDS account was also enhanced. Holders of this savings account can decide to **allocate their deposits in the form of a donation**, in particular to members of the social and solidarity economy. The terms of these donations were set out by decree on 4 December 2019, effective from 1 June 2020.

LEP savings account in video

The Livret d'Épargne Populaire (LEP) is a regulated savings account guaranteed by the state and available to individuals whose taxable income is below €7,700. To explain the terms and conditions of this attractive savings account and raise awareness among those eligible for it, the FBF published a tutorial video in April 2019. It reminds those who hold an LEP account that they need to provide their bank with proof of their taxable income (income tax assessment notice) every year.





INNOVATION & SECURITY

The digital transformation provides banks with the opportunity to offer their customers new services. It also brings constant challenges in terms of security and data protection.

- 01 INNOVATION TO SERVE CUSTOMERS
- 02 PAYMENT SECURITY AND SOVEREIGNTY
- 03 DEDICATED TO CYBER SECURITY

01 INNOVATION TO SERVE CUSTOMERS

Banks are innovating and undertaking far-reaching transformations to better meet their customers' requirements while safeguarding the confidentiality and security of their data and money.

Closer relations through digital solutions

Banks are constantly innovating to develop new services and adjust to changing customer behaviour and expectations in terms of easily available, simple, instantaneous, mobile banking solutions. This continuous process relies on internal innovation, partnerships and the acquisition of start-ups. Digital solutions facilitate transactions and diversify forms of interaction and access to services beyond the boundaries of banking. With digital, customers have never been closer to their banks!

Contactless payments are easy and quick and **3.3 billion transactions** were made in 2019, an increase of 56% compared to 2018 (source: GIE CB).

Instant transfers are being rolled out thanks to banks' investments in architecture to allow them to process transactions in real time while ensuring full financial security. In 2019, users of the "Paylib between friends" service enjoyed the advantages of instant transfers.

Services enhanced by technology

Banks are making full use of innovative technologies such as artificial intelligence (AI) and blockchain to enhance their range of products and services and renew the experience they offer their clients.

The FBF is involved in industry-wide initiatives in this area, for example:

- through its contribution to the Finance Innovation Cluster white paper on "**Artificial intelligence, blockchain and quantum technology serving finance for the future**", presented at the FBF's offices on 15 April 2019;
- by publishing a response to the ACPR on its discussion document on "**Artificial intelligence: the challenges facing the financial sector**".

Legislation accompanied these developments. With the PACTE law of May 2019, France became one of the first European countries to establish a regulatory framework for blockchains and acknowledge the status of **digital asset service provider**.

At the European level, the Commission launched a European consultation with a Communication on AI and the publication of ethical guidelines in April 2019.

Inventing a new banking experience, protecting clients, investing to push back the boundaries of banking. These issues are covered in the FBF document published in October 2019 entitled "Towards a new relationship with banks: innovation in complete security".



02 PAYMENT SECURITY AND SOVEREIGNTY

As trusted third parties, banks are in the best position to guarantee the security of their clients' data and money. Maintaining Europe's independence in this area is of strategic importance.

PSD2 - security first

Strong authentication for electronic payments and account access was rolled out from 14 September 2019 under the revised Payment Services Directive (PSD2). With their expertise in ensuring the security of clients' funds and data, banks were ready for this new requirement, ensuring the implementation went smoothly for their customers and e-retailers:

- **access to payment accounts online:** strong authentication is being rolled out simply and progressively, with each bank following its own timetable;
- **payment for online purchases:** the current authentication system is gradually being replaced with new strong authentication systems made available to customers following an industry-wide timetable set by all members of the ecosystem in conjunction with the national authorities.

Payments and data, a strategic issue for Europe

Since 2018, the European Union (EU) has had a standard set of data protection rules suited to the digital era (GDPR). This strict framework is specific to the European Union and must be preserved. At a time when non-European digital enterprises are increasingly interested in payment activities, this is a matter of sovereignty for the EU.

For this reason, the FBF has made **the promotion of European sovereignty, in particular in payments**, one of its European priorities for 2019-2024: to effectively finance its economy, Europe needs to foster a strong payments industry, while developing the international role played by the European currency.

In this regard, the European Central Bank (ECB) has called for the completion of the EU payments sector in order to ensure its independence. Around twenty European banks are working on an **innovative, secure, independent payment solution for the whole of Europe**. This project can only succeed if the European authorities commit to a well-balanced, viable business model.

NEW NATIONAL STRATEGY FOR THE FUTURE OF PAYMENTS

In February 2019, the CNPS (national non-cash payments committee) presented the new **national strategy for means of payment for 2019-2024**. The banking industry supports the three priorities of this strategy: to pursue efforts to digitalise payments, ramp up the rollout of innovations, and contribute to the European aim of enhancing the single payments market. The first projects in this area were launched in November.

03 DEDICATED TO CYBER SECURITY

As a strategic industry, banks are investing massively in cyber security, which is a matter of national and European security. They are actively raising clients' awareness of these issues.

Participation in Cybermoi/s

For the second consecutive year, the FBF, in partnership with ANSSI (the French National Information Systems Security Agency), took part in Cybermoi/s, a nationwide campaign to raise awareness of digital security. This French version of European Cybersecurity Month aims to raise awareness of cyber risks and promote good habits to ensure safe online use and protect users' cyber alter ego.



Within this framework, the FBF has published a series of Security guides for all customers: “Cyber security at work, 8 good habits”, “Everyday cyber security, 9 good habits”, etc.

On 15 October 2019, the FBF and ANSSI co-hosted a conference for members of the cyber ecosystem on “**Cyber risks: where to draw the line between innovation and security**”. The event sought to review the threats, discuss individual and collective solutions and conceive new forms of collaboration. Several public and political figures took part.

Awareness among business leaders

Raising awareness of the importance of security among businesses is one of the FBF's key priorities, in particular through its regional committees, which organise local events with the support of the police and in partnership with local organisations such as the MEDEF (employers' organisation), CPME (SME employers' organisation) and local chambers of commerce. In 2019, early 600 business leaders were informed about payment fraud and cybercrime at meetings and events hosted by banking committees.

An e-learning course for business leaders was published in January 2019

to prevent scams involving changing bank details (fake IBANs). The course was designed in a partnership between the FBF, the CDSE (association of chief security officers) and the police, to help businesses identify scams and take the right action if they are victim of attempted fraud.

Major cyber attack drill

A simulation of a cyber attack targeting the financial system was organised in June 2019 during the French G7 presidency. The simulation was part of the triennial drill organised by the Banque de France's Paris Resilience Group, which takes place over two days using a scenario impacting all systemic processes used by the French financial centre: large payments, financial system liquidity, electronic means of payment, issuance and circulation of cash, and services performed for the government (auctions).



REGULATION & SUPERVISION

Europe's banking industry is a strategic asset that must be protected. The European institutions, which began a new term of office in 2019, must focus on maintaining Europe's sovereignty in financing the European economy. Initiatives must enable banks to better finance their European customers and to respond to major societal issues, in particular the challenge of the energy transition.

01 FINANCING THE ECONOMY:
A MATTER OF SOVEREIGNTY

02 NEW RULES TO FOSTER
SUSTAINABLE FINANCE

01 FINANCING THE ECONOMY: A MATTER OF SOVEREIGNTY

The transposition of the final Basel Accord in the EU is a cause of major concern for the sovereignty of EU financing. The development of the capital markets is indissociable from prudential regulations.

For appropriate transposition of Basel Accord in the EU

The forthcoming transposition of the Basel Committee's Accord of December 2017 in the EU must first take into account the specific features of financing in the European Union and the need for a level playing field between all European players on the one hand, and with players from third countries on the other hand.

This final agreement on international prudential rules, rounded out by the review of capital market risks (Fundamental Review of the Trading Book), which was completed in January 2019, has, to date, significantly increased banks' capital requirements, **in contradiction with the political mandate of the G20, the European Council and the European Parliament**. According to impact studies by the Basel Committee (March 2019) and the European Banking Authority (August 2019), the average increase in capital requirements is 23% for European banks, compared with 1.5% for American banks. In addition, according to a study by Copenhagen Economics in November 2019, **the reform could reduce European growth by 0.4%**.

By introducing a method that no longer analyses risks client by client, but which sets standard capital requirements applicable around the world, the Basel reform brings about **a standardisation which could limit the capacity of French and European banks to finance** individuals, businesses and major strategic projects such as the infrastructure needed for the energy transition, the naval

industry or the aerospace sector. The crucial objective for France and Europe is to maintain robust, powerful banks that can ensure the financial independence of Europe's businesses and safeguard the EU's economic sovereignty.

For French banks, it is therefore essential for adjustments to be made before the Accord is enacted in the EU:

- enactment should not be undertaken without the European legislature's assurance that it will preserve the specific nature and best practice of Europe's financing system;
- it must promote greater risk awareness;
- it should avoid any further fragmentation of the Banking Union;
- it must maintain fair competition with banks from third countries, in particular from the USA;
- it must not result in a reduced offering, nor an increase in financing costs or financial risks for businesses or consumers;
- it must not implement the new treatment method for market risks until the United States also applies the reform so as not to further undermine the development of the Capital Markets Union.

"The dangers of Basel III for banks and the financing of the economy"

A JOINT ARTICLE PUBLISHED BY THE FBF AND THE GERMAN BANKING ASSOCIATION, THE BDB, IN **LES ÉCHOS** AND **HANDELSBLATT** ON 24 JULY 2019.

Capital markets: new political impetus

As well as prudential rules adapted to the specific features of European financing, a framework is needed to **truly enable the development of the capital markets in Europe** so clients can obtain financing in the markets.

Five years after the European Commission launched the Capital Markets Union (CMU) project, only limited progress has been made in legislative and regulatory terms (Prospectus and Securitisation regulations applicable from 2019, Covered Bonds Directive of November 2019, reform of European Supervisory Authorities of December 2019).

The banking sector therefore proposes several concrete measures, including:

- creating high-quality reference assets in the eurozone to increase market liquidity, for example mortgage or green loan securitisations backed by a recognised public sector body such as the European Investment Bank;
- strengthening ESMA's convergence powers in financial supervision and regulations to avoid market fragmentation;
- easing the conditions for marketing of certain financial products (in particular under MiFID II, PRIIPs and IDD regulations) to allocate more savings to corporate financing.

To preserve the integrity of EU financial markets,

third country actors access to them must be contingent on obtaining strict equivalences. In the context of Brexit, this is a strategic issue. Equivalence decisions must be unilateral and reviewed periodically, as indicated by the European Commission in its Communication on 29 July 2019.

Acknowledgment in Europe that the **CMU will not come about without a strong political impetus** has led to several initiatives, which are welcomed and supported by the French banking sector:

- **the Markets4Europe project** coordinated by the European Banking Federation (EBF) and the creation of a Committee of Experts (comprising high level public figures), whose proposals were submitted to European institutions and authorities in September 2019;
- **the mobilisation of seven European governments**, which led to the release of the Savings and Sustainable Investment Union report on 9 October 2019;
- **the creation of a High Level Forum** by the European Commission in November 2019, which demonstrates its determination to relaunch the CMU.

2019-2024 – FOR A WELL-FINANCED SOCIETY IN A SOVEREIGN EUROPE



The EBF set out the banking industry's priorities for 2019-2024 at a press conference in Brussels on 16 June. This ambitious roadmap for the European institutions' new term in office comprises three key points, with ten priorities:

- to enable European banks to better meet the financing requirements of their European customers through credit and the market (Financing Union);
- to encourage the role of banks in dealing with societal, climate, digital and security issues (banks as trusted third parties and partners of the transitions);
- to affirm European economic sovereignty and the resilience of its banking sector.

02 NEW RULES TO FOSTER SUSTAINABLE FINANCE

The challenge is to introduce a regulatory framework that allows banks to help their customers transition towards greener activities without imposing overly stringent obligations that will prevent them from doing so.

More transparency on sustainable investments

Several regulatory initiatives adopted by the European Union (EU) in 2019 aim to facilitate the financing of sustainable growth by creating a framework for green financing that better meets the objectives of the Paris Agreement on climate change. French banks are paying close attention to these new rules, which have still to be clarified with technical measures at the European level.

The EU regulation of 27 November on **sustainability related disclosures in the financial services sector** introduces transparency requirements regarding the way in which financial sector companies incorporate Environmental, Social and Governance (ESG) factors in their investment decisions. These obligations apply to investment advisory and discretionary management services for third parties. They extend to all financial products, with a “comply or explain” approach for products with no ESG features.

The regulation of 27 November on **low carbon benchmarks** creates new types of benchmarks to provide additional information on an investment portfolio’s carbon footprint:

- EU Climate Transition Benchmarks, which aim to reduce the carbon footprint of standard investment portfolios;

- EU Paris-Aligned Benchmarks, which have a more ambitious aim of selecting components which actively contribute to the attainment of the 2°C temperature reduction target.

The regulation also requires the disclosure of sustainability information for all benchmarks.

A “taxonomy” of activities

The European Commission, the European Council and the European Parliament reached a political agreement on a regulation introducing **an EU-wide classification system for environmentally sustainable economic activities** on 12 December 2019. This “Taxonomy” regulation sets out a classification system to determine what can be considered a sustainable activity.

It introduces three categories of activities:

- “green” activities;
- “transition” activities;
- “enabling” activities.

The nuclear and gas sectors are not excluded from the scope of the taxonomy.

The European taxonomy lays the foundations for a number of other initiatives that will be developed under the **action plan on sustainable finance presented by the European Commission in January 2020**, which complements the European Green Deal announced in December 2019.



THE FBF

The French Banking Federation (FBF) is the professional body representing all banks operating in France.

- 01 PRESENTATION
- 02 INFLUENCE
- 03 ORGANISATION

01 PRESENTATION

The FBF's mission is to promote the banking and financial industry in France, in Europe and around the world. It determines the profession's positions and makes proposals to public authorities and economic and financial authorities.

340 member banks

The FBF represents 340 banks, including 115 foreign banks⁽¹⁾. Regardless of their size or their legal form, credit institutions licensed as banks and the branch offices of credit institutions in the European Economic Area can, if they wish, become full members of the FBF, which then becomes their professional body. The central bodies of cooperative or mutual banking groups and the AFB⁽²⁾ can also become full members.



15% EEA branch offices

6% Non-EEA branch offices

5% EEA subsidiaries

8% Non-EEA subsidiaries

66% French banks

A staff of 114 employees

114 permanent employees work at the FBF and the AFB, in conjunction with more than 400 bankers who take part in commissions and committees. These bodies meet regularly to formulate positions and to launch initiatives. Decision-making relies on preparatory work by experts from the FBF, technical committees or 80 ad hoc working groups. Discussions with members are also central to the Federation's work.

Influence in France, Europe and around the world

The FBF is located in Paris and also maintains offices in Brussels. It is also present throughout France via a network of 103 regional and departmental committees. This network draws on the services of over 2,500 bankers who regularly meet with local business and government representatives and convey the industry's positions.

The FBF is a member of the European Banking Federation (EBF).

(1) As of 1 January 2020

(2) The French Banking Association (AFB), representing 186 banks, sits on the FBF's Executive Committee.

It is the professional body representing commercial banks for employee-related matters (banking collective labour agreement).

02 INFLUENCE

-  **FBF head office** in Paris
-  **FBF offices** in Brussels
-  **12** regional bank committees
-  **91** departmental or local bank committees



2500 BANKERS
IN TERRITORIAL
COMMITTEES

03 ORGANISATION

As at 30 March 2020



Frédéric Oudéa
Chairman of the FBF
Chief Executive
Officer
of Société Générale



Philippe Brassac
Vice-Chairman
of the FBF
Chief Executive Officer
of Crédit Agricole SA



Nicolas Théry
Treasurer of the FBF
Chair of
Confédération
Nationale du Crédit
Mutuel



Jean-Laurent Bonnafé
Director & Chief
Executive Officer of
BNP Paribas



Laurent Mignon
Chairman of the
Management Board
of BPCE Group



Rémy Weber
Vice-Chairman
of the AFB
Chairman of the
Executive Board of
La Banque Postale

EXECUTIVE COMMITTEE



Maya Atig
Chief Executive
Officer of the FBF



Éric Voulleminot
Security Adviser

GENERAL MANAGEMENT BOARD



Benoît de La Chapelle Bizot
Director General Delegate



Solenne Lepage
Deputy Chief Executive
Officer



Ermelina Debacq
Deputy Chief Executive
Officer



André-Guy Turoche
Director of Social Affairs

FBF COMMISSIONS AND COMMITTEES

FORWARD-LOOKING
COMMISSION

RETAIL BANKING AND REMOTE
BANKING COMMISSION
INVESTMENT BANKING AND MARKETS
COMMISSION
CLIMATE COMMISSION
CONTROL AND PRUDENTIAL
SUPERVISION COMMISSION

ACCOUNTING COMMITTEE
COMPLIANCE AND CONDUCT
COMMITTEE
TAX COMMITTEE
LEGAL COMMITTEE
MEANS OF PAYMENT STEERING
COMMITTEE
MAJOR RISKS AND SECURITY
COMMITTEE

Significant ev

JANUARY

- 01** Implementation of the European Securitisation Regulation.
- 11** Launch of an e-learning course on fraud involving fake IBANs..
- 16** Brexit: the UK parliament rejected the EU Withdrawal Agreement. French banks have been preparing for all possible outcomes for two years.
- 21** “Yellow vest” demonstrations: banks pledged to review the situation of affected clients on a case-by-case basis.
- 29** Observatory of Household Loans: the percentage of households with a loan stabilised at 47.8% in 2018.

FEBRUARY

- 07** Unanimous wage agreement between the AFB and banking industry trade unions.
- 13-14** The FBF took part in the first French-German Financial Markets Dialogue in Berlin.
- 18** The CNPS published the National Strategy for Means of Payment for 2019-2024.
- 20** The report of the Bank Fees Observatory confirmed that bank fees had been frozen in 2019.
- 28** The FBF replied to the ACPR consultation on “Artificial intelligence: the challenges facing the financial sector”.

MARCH

- 05** The FBF updated the Professional Best Practice guide on the anniversary date of borrower's insurance policies.
- 11** Graduation ceremony for the Les Déterminés association's tenth class held at the FBF's offices.
- 25** Results of the FBF/Harris Interactive survey on children's relationship with money.
- 28** UN Security Council resolution on combating the financing of terrorism.
- 30** Joint article by French banks published in Le Monde calling for an end to vandalism of bank branches.

APRIL

- 11** Image survey of banks: 82% of French people have a positive opinion of their bank.
- 17** Banks announced they would contribute to the reconstruction of Notre-Dame de Paris.
- 25** Publication of the European Regulation on non-performing loans (NPL).
- 26** The FBF published its tutorial video on the LEP savings account.

MAY

- 10** The FBF published “Banks and vulnerable people”.

- 13** Apprentiscène contest: the FBF awarded the Jury's Favourite prize.

- 16** The FBF set out the banking industry's priorities for 2019-2024.

- 21** Results of the IFOP survey of French people, their bank and their expectations.

- 21** The FBF published a mini-guide on “Solutions for financially vulnerable individuals”.

JUNE

- 03** The FBF hosted the Action'elles network's 25th anniversary celebrations.

- 04-06** Simulation of a cyber attack against the financial system as part of the French G7 presidency.

- 20** AFB press conference on employment in banking: 42,300 people hired in 2018.

- 21** FBF/Crésus conference on “Committing to financially vulnerable individuals”.

JULY

- 02** Declaration for Green and Sustainable Finance by the Paris Financial Centre.

- 04** 2019 results of the Invite a Banker to Class initiative: more than 19,700 school children took part.

- 21** Implementation of the European Prospectus Regulation.

Events in 2019

- 22 Signing of the 2019 AERAS Agreement.
- 23 The Banque de France observed that cash is easily accessible in France.
- 24 Joint article by the FBF and the BdB in *Les Échos* and *Handelsblatt* on “The dangers of the Basel III accord for banks and the financing of the economy”.
- 24 The IMF published its assessment of the French financial sector (FSAP).
- 29 Communication by the European Commission on its policy of equivalence in financial services.

AUGUST

- 24-26 France hosted the G7 Summit in Biarritz.

SEPTEMBER

- 01 Frédéric Oudéa took over from Laurent Mignon as FBF Chairman.
- 11 Publication of the national plan for the migration to strong authentication for online payments.
- 20 The French Treasury published a nationwide analysis of the risk of money laundering and terrorist financing in France (COLB report).
- 20 The FBF endorsed the UNEP FI Principles for Responsible Banking.

- 26 Markets4Europe issued its recommendations for a truly integrated capital market in the EU.

OCTOBER

- 01 European Cybersecurity month 2019: the FBF took part in the CYBERMOI/s campaign.
- 02 The FBF updated its Professional Standard on bank fee guides.
- 03 Interviews with Frédéric Oudéa, FBF Chairman, on the challenges facing the French and European banking sector in *Les Échos* and on *BFM Business*.
- 07 The ECB published the results of 2019 stress tests.
- 09 The High-Level Expert Group from seven European countries published a report on relaunching the Capital Markets Union.
- 15 FBF/ANSSI event on cyber risks.
- 16 The Banque de France confirmed that banks had applied caps on payment incident fees.
- 29 The European Council voted to postpone Brexit until 31 January 2020.

NOVEMBER

- 14 The FBF published the third Banks and Climate report.

- 22 A decree set out the legal framework applicable to the status of digital asset service providers created by the PACTE law.

- 22 Copenhagen Economics published a report on the impact of the Basel Accord on financing for the European economy.

- 25 The FBF Executive Committee signed a Climate Manifesto published in the national and regional press.

- 28 The FBF participated in the Markets4Europe conference in Paris.

- 29 Climate Finance Day 2019 in Paris.

DECEMBER

- 01 The new European Commission took office.

- 11 The European Commission presented the European Green Deal.

- 16 European political agreement on the classification of sustainable activities (Taxonomy).

- 18 Report of the Observatory for Corporate Financing on financing for VSEs/SMEs.

- 18 Publication of the Covered Bonds Directive.

- 20 HCSF recommendation on the terms for granting home loans.

Glossary

ACPR Autorité de Contrôle Prudentiel et de Résolution (French supervisory and resolution authority)

AERAS S'Assurer et Emprunter avec un Risque Aggravé de Santé (Insurance and Borrowing with Serious Health Risks)

AI Artificial Intelligence

ANSSI Agence Nationale de la Sécurité des Systèmes d'Information (National Information Systems Security Agency)

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

CMU Capital Markets Union

CNPS Comité National des Paiements Scripturaux (French National Non-Cash Payments Committee)

COLB Conseil d'Orientation de la Lutte contre le Blanchiment de capitaux et le financement du terrorisme (Anti-Money Laundering and Counter-Terrorist Financing Advisory Board)

IDD Insurance Distribution Directive

EBF European Banking Federation

ESMA European Securities and Markets Authority

FRTB Fundamental Review of the Trading Book

FSAP Financial Sector Assessment Program

G-SIBs Global Systemically Important Banks

GDPR General Data Protection Regulation

HCSF Haut Conseil de Stabilité Financière (High Council for Financial Stability)

MiFID II Second Markets in Financial Instruments Directive

NPL Non Performing Loan

OFE Observatoire du Financement des Entreprises (Observatory for Corporate Financing)

OTB Observatoire des Tarifs Bancaires (Bank Fees Observatory)

PACTE Plan d'Action pour la Croissance et la Transformation des Entreprises (Action Plan for Business Growth and Transformation)

PRIIPs Packaged Retail Investment and Insurance-based Products

PSD2 Second Payment Services Directive

UNEP FI United Nations Environment Programme Finance Initiative



THE FBF'S PRESENCE

The FBF represents the banking industry in public organisations:



... and many national, European and international organisations:



It is the partner of several French and international authorities, associations and other bodies:



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