

FBF
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FBF MANAGEMENT REPORT

2009

2008

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FEDERATION
BANCAIRE
FRANCAISE



_The FBF has been speaking for all banks operating in France for ten years now. As the issues and stakes become increasingly global, it is vital for us to speak together.

We have illustrated our annual report with a few key events from the last ten years to show just how much ground we have covered.

The subjects are often the same, and yet the overall framework has changed enormously in ten years. In retail banking, for instance, relations with retail customers have been clarified and facilitated thanks to a number of joint agreements, ambitious information programmes and, of course, the internet. Similarly, the accounting and prudential standards that determine the way in which the economy is financed and, in certain respects, the place of French banks in the global race, are still changing.

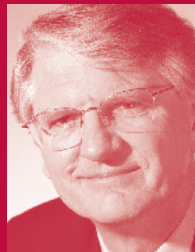
The robustness of the French banking model has proved itself over recent months. Because this model has helped the sector withstand the crisis, the FBF is determined to make its voice heard, with proposals for the reform of the international financial system that will define banking and financial operations in the coming decade.

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**FRENCH
BANKS
ARE
MOBILISED**
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ARIANE OBOLENSKY
CHIEF EXECUTIVE OF THE FBF



BAUDOIN PROT
CHAIRMAN OF THE FBF



Thanks to the diversity of their activities, attentive risk management and the help of effective supervision, French banks have weathered the crisis well overall.

The universal banking model has proved its worth. As financial markets returned to normal in 2009, banks were able to refinance themselves again, and the French bank aid plan – which was a demonstrable success, since banks continued to finance the economy – contributed more than €2 billion to the government budget.

Despite the economic slowdown (economic activity fell by almost 3%), lending to the economy increased: outstanding loans at all credit institutions rose by 1.8% between December 2008 and December 2009. The corresponding figure for institutions that signed a financing agreement as part of the bank aid plan was 2.7%. Mortgages grew by 4%, and loans to SMEs and micro-businesses by over 2%. This performance contrasted favourably with that of France's biggest neighbours, which all experienced reductions in outstanding loans, and easily exceeded the eurozone average for commercial and personal loans. These loans were made at interest rates below the eurozone average and among the lowest of any leading European country, all as part of a responsible lending policy. French banks were attentive to the specific needs of SMEs and micro-businesses during the crisis: they took part in credit mediation, organised meetings between their executives and more than 1,200 SMEs and micro-businesses and decided to improve the quality of their service, notably by shortening decision times. They also announced loan package for these businesses in 2010.

2009 was marked by decisions taken by the G20 to ensure the stability of the financial system. French banks found the G20 decisions included some of the suggestions they had made at the start of 2008. At the forefront regarding the variable compensation of financial market professionals, French banks were the first, in February 2009, to set an industry standard to avoid excessive risk-taking. They are also alone at this stage in implementing G20 recommendations. To be effective and meaningful, however, these rules must be applied everywhere.

Ongoing discussions to change the Basel II prudential regulatory framework are essential for the future of the financial system, the financing of economies and hence global economic growth. Without a level playing field between banks and between banks and other financial institutions, an accumulation of excessive capital requirements coupled with a return of liquidity constraints, which would definitively favour public debt and hinder banks from financing the economy in the medium and long terms, would have disastrous consequences. Systemic risks must be reduced, but the reshaping of the global financial system is a key geostrategic, economic and political challenge.

It is vital for the French economy, for the development of the Paris financial market and for the competitiveness of domestic businesses that French banks remain active in all business lines. In this continuing battle over prudential rules in 2010, Europe must assert itself and defend its model, which has proved the most solid one during the crisis.



KEY EVENTS AT THE FBF IN 2009



January **1**. The banking accessibility charter, aimed at reinforcing basic banking rights, comes into force throughout the sector. **30**. The EU's third directive against money laundering and terrorist financing is transposed into French law. **31**. French banks send customers their first annual statement of account-management fees.

February › **10.** The FBF signs the voluntary Register of interest representatives in Brussels and adopts the European Commission's code of conduct. **11.** The FBF adopts the joint principles laid down by the French working group on the compensation of financial market professionals. **18.** A new plank of the "Keys to Banking" programme is launched, aimed at self-employed people: artisans, shopkeepers, professionals and business owners. **26.** The FBF and the French government sign an agreement on the Eco-PTZ – an interest-free loan for home renovations involving insulation and heating.

March › **17.** As their contribution to ensuring an effective reform of the international financial system at the G20 summit in London, the FBF and the AMAFI send proposals to the French government. **24.** The FBF contests the ban by the European Commission and the ECB on multilateral interchange fees on direct debits as of 2012. **24.** The FBF and the Credit Mediator reinforce their cooperation, with the joint goals of supporting business activity and saving jobs.

April › **6.** The FBF signs the Partnership Agreement on equity financing for companies that have asked for credit mediation. **14.** The FBF responds to the Commission consultation on the recommendations of the de Larosière Group on banking supervision. **29.** The FBF and the ASF finalise a joint glossary of terms used by credit professionals for variable-rate home loans.

May › **6.** The European Parliament adopts the revision of the capital-requirements directive, which ushers in a number of modifications relating to supervision, securitisation, major risks and the definition of capital. **22.** French banks make proposals to other European banks on measures concerning activities in non-cooperative countries. **27.** The FBF welcomes the European Commission's planned reform of financial supervision in Europe.

June › **4.** Banking networks set up specific postal addresses for bridging-loans contacts, as promised. **26.** The FBF signs a partnership agreement with the HALDE concerning the fight against discrimination and the promotion of equality in bank-customer relations.

July › **1.** The standardised information slip on borrowers' insurance is now given to all customers intending to take out a home loan. **1.** All French bank branches now stock an AERAS information sheet shared by all members of the banking profession. **7.** The FBF's Executive Committee meets with European Commissioners in Brussels. It sets out the position of French banks on the implementation of decisions by the G20, etc. **27.** The FBF signs the Charter on Credit Mediation for Businesses.

August › **25.** At a meeting at the Elysée Palace, French bank chairmen put forward their proposals for the variable compensation of financial market professionals.

September › **1.** Baudouin Prot, CEO of BNP Paribas, takes over from Georges Pauget as chairman of the FBF. **16.** As part of the "Keys to Banking" programme, the FBF opens two new websites aimed at people working in the social economy and young adults. **24-25.** G20 meeting in Pittsburgh.

October › **7.** The FBF chairman sets off a series of meetings between the FBF's executive committee and SMEs. **19.** The FBF signs an agreement with the Caisse des Dépôts and the French Employment Minister aimed at encouraging business creation by people facing difficulties.

November › **1.** The payment-services directive comes into force in the European Union. **1.** The European principles on bank account switching come into force in the EU member states. The application of the new French system designed to make it easier to switch banks is widened. **5.** The FBF publishes professional operating rules on the variable compensation of financial market professionals. French banks are the first to implement the international principles. **27.** The FBF welcomes FBF committee chairmen for the Regional Committee Convention in Paris.

December › **9.** The Basel Committee begins a consultation aimed at making banks more resilient. **17.** The National SEPA Committee measures the state of progress towards SEPA in France. **31.** The Finance Act for 2010 extends the new interest-free home loan scheme by three years.



REFORM OF THE INTERNATIONAL AND EUROPEAN FINANCIAL SYSTEM



CHAPTER I

> Reforming the international financial system: active contribution from French banks

2009 allowed us to draw the lessons of the global financial crisis. G20 member countries met twice to get the ball rolling on wide-ranging reforms. French banks made an active contribution to the process leading up to their adoption.

The G20 approved measures to deal with the crisis

_ 2009 marked a turning point for the global banking sector. Two G20 summits took place, in April and September. Drawing the lessons of the crisis, they undertook a reform of the financial system in the aim of achieving greater stability. Europe took the initiative in a number of areas, and played an active role in the decision-making process. The FBF contributed, and made proposals to the French government, jointly with the AMAFI (the French financial markets association), in March 2009.

_ The FBF and AMAFI proposals were built around five main goals:

- > Provide a framework for international cooperation on systemic risk,
- > Make accounting standards more reliable and realistic,
- > Combat pro-cyclical effects,
- > Have the large groups supervised by colleges of supervisors whose decisions are overseen and approved by the “consolidating supervisor”,
- > Recognise the diversity of the markets and draw the right lessons from this.

_ The G20 summits in London and Pittsburgh, in April and September respectively, provided sound foundations for new regulations governing the global financial system. A short and precise timetable was drawn up, allowing regulators around the world to propose measures and apply them. Important principles proposed by Europe, and especially France, were adopted. They covered banking regulation (Basel II), compensation and relations with non-cooperative countries. The FBF welcomes the recognition of the Basel II framework as the basis of international banking supervision. It also considers the United States’ pledge to apply the Basel II provisions before 2011 as critical: the Basel II framework is the only way banks can be assured of being sufficiently capitalised, even though there is room for the system to be improved. Much is still to be done on accounting standards (see page 9). Generally speaking, great attention must be paid to the implementation of the G20 principles in order to ensure that they do indeed reinforce the security of the financial system and the financing of the economy.

2001

THE INTERNATIONAL
FINANCIAL SECTOR
TAKES ACTION AGAINST
TERRORIST FINANCING

Variable compensation of market professionals: France at the forefront

— French banks took the lead in February 2009, making commitments relative to the variable compensation of market professionals aimed at avoiding excessive risk-taking. These commitments were fleshed out in August 2009.

— The FBF had warned that the implementation of these principles in France would need to be part of a European and global approach, within the framework of the G20 initiative, if the competitiveness of companies operating in France was to be preserved. The G20 concurred, adopting rules inspired largely by the French system, to be applied in individual countries.

— French banks were the first to apply the new international principles. In November 2009, the FBF issued professional operating standards relative to the remuneration of personnel whose activities are liable to have an impact on banks' risk exposure. They provided the outlines of an Executive Order issued in early November.

— These standards, applicable as of 2009 for bonuses paid at the start of 2010, set out rules governing compensation policies and the rules applicable to variable remuneration for market professionals. They include a ban on guaranteed bonuses for periods of more than a year, the deferred payment of at least 50% of bonuses over three years and the payment of at least 50% of bonuses in shares, as well as the notion of *malus*. Their goal is to make the behaviour of the personnel concerned more consistent with the long-term goals of the company, thereby helping avoid excessive risk-taking. The Banking Commission oversees the procedure within the framework of regulation 97-02.

2002

THE FBF OPENS
ITS OFFICE
IN BRUSSELS

Non-cooperative countries: French banks' commitments

— The April 2009 G20 summit identified the fight against tax havens and non-cooperative jurisdictions as a priority, as a means of bolstering public revenues. French banks issued proposals with respect to information and governance in May 2009, and highlighted the importance of having governments put together clear lists in order to optimise their effectiveness. They pledged to close down their subsidiaries and branches in tax havens that, as of March 2010, are on the OECD's grey list and have not signed a tax treaty with France.

2003

"FIVE PRINCIPLES
FOR THE EUROPEAN
BANKING MARKET":
THE FBF EXPRESSES
ITS VIEWS ON EUROPEAN
CONSTRUCTION

Capital and liquidity: a defining reform

_ In response to demands from the G20, the Basel Committee launched two consultations in early December 2009 aimed at strengthening the international banking sector and controlling liquidity risk. It also responded favourably to the long-standing demand of European banks to conduct an assessment of capital adequacy requirements, as well as their calibration and interdependence.

_ French banks, along with their European counterparts, wish to avoid an excessive increase in capital requirements that would diminish banks' capacity to finance the economy, thereby putting the recovery at risk. They intend to take an active part, in the first half of 2010, in the consultation aimed at calibrating the new measures and assessing the full extent of their impact. On the basis of this assessment, the Committee is expected to issue recommendations by the end of 2010. The aim is to have them in place by the end of 2012.

Accounting standards: a challenging reform

_ The financial crisis highlighted the pro-cyclical nature of accounting standards, i.e. their capacity to accentuate the impact of the business cycle. The fair-value model, which requires assets to be booked at their market value and not their purchase value, obliges banks to recognise any loss of value in their assets as effective losses. For assets that had become illiquid, fair-value accounting aggravated the impact of the crisis.

_ In April 2009, the G20 demanded the urgent creation of new, high-quality accounting standards that were close to proposals made by the FBF back in 2008. Within that framework, the IASB undertook a wide-ranging reform of IAS 39 in June 2009. In November, the European Union decided against fast-track endorsement of IFRS 9 on the classification and measurement of financial assets, the reform's first phase.

_ The September G20 asked international and American bodies (IASB and FASB) to speed up their joint work to set out a single set of international accounting rules by June 2011 at the latest. The FBF is favourable to convergence. As with the reform of IAS 39, it will remain vigilant to ensure that new standards properly reflect institutions' economic performances and do not aggravate cyclical effects. The FBF regrets that the G20 failed to explain the need for a mixed valuation model in which "fair-value accounting" would only be applied when there is an active and liquid market, and the need to take a company's business model as the first criterion in classifying financial assets.

THE FBF SIGNS THE VOLUNTARY REGISTER OF INTEREST REPRESENTATIVES IN BRUSSELS

In February 2009, the FBF signed the voluntary Register of interest representatives, implemented as part of the European Commission's "transparency initiative". By doing so, the FBF and its employees pledged to comply with the provisions of the code of conduct laid down by the Commission as part of this initiative. The FBF subscribes to the Register's goal of ensuring a heightened degree of transparency among interest representatives, people working in this field and their activities.

> Work in Europe to shore up the solidity of banks

2004

TEN NEW COUNTRIES JOIN THE EU: THE EUROPEAN MARKET NOW REPRESENTS 450 MILLION CONSUMERS

Europe adopted new measures to increase the stability of the banking sector, with the revision of the capital-requirements directive and the harmonisation of the deposit guarantee schemes.

The minimum guarantee level for deposit guarantee schemes raised in Europe

_ A new directive on deposit guarantee schemes was published in the Official Journal of the EU on 13 March 2009. The text aims to harmonise deposit guarantee schemes in the event of bankruptcy filings in the European Union. Member states were to apply them as of 30 June 2009. The minimum guarantee level for deposit guarantee schemes has now been raised from €20,000 to €50,000. It will be raised in all European member states to €100,000 at the end of 2010, unless a study to be conducted by the European Commission by the end of the first quarter of 2010 shows this not to be necessary. French banks are favourable to the harmonisation of ceilings between member states, as well as the increase in the guaranteed amount. In France, the level currently stands at €70,000.

2005

AFTER 15 YEARS OF TALKS, THE DIRECTIVE ON THE TAXATION OF SAVINGS IN EUROPE COMES INTO FORCE

Two revisions to the capital-requirements directive (CRD)

_ In May 2009, the European Parliament adopted the first revision of the capital-requirements directive (CRD II). This revision was foreshadowed in the original CRD, and provided for the inclusion of a number of recommendations relative to the supervision of pan-European groups, prudential treatment of securitisation, the control of major risks and the definition of hybrid capital. The text, published in the Official Journal of the EU in November 2009, must be transposed into each member state's national law by 31 October 2010, so that it can come into force by the end of 2010.

_ During the revision process, the FBF noted that the text was intended to contribute to reinforcing financial stability in Europe without hindering the financing of the economy, nor distorting competition. It supports progress on supervision and early moves aimed at harmonising the calculation of capital, which would be worthwhile pursuing. But it regrets that the regulation of major risks should involve the same treatment for different types of risk. Banks should not be treated in the same way as other counterparties, as this could lead to a reduction in interbank activity and a destabilisation of the markets.

2006

THE FBF CONTRIBUTES TO THE COMMISSION'S WHITE PAPER ON FINANCIAL SERVICES

_ In July 2009, the European Commission published another proposed revision of the CRD (CRD III), bearing on capital adequacy for trading and re-securitisation portfolios, disclosure requirements with respect to securitisation-related risk and compensation policies. The December European Council meeting approved modifications to the CRD proposed by the November Ecofin Council meeting, and asked member states to implement measures on the compensation of market professionals.

> Towards the harmonisation of financial supervision in Europe

The European Commission took up the de Larosière Group's proposals relating to the strengthening of European supervision of cross-border groups backed by the FBF.

Two-tiered supervision

_ The FBF has long supported the notion that supervision should be adapted to the organisation and scope of cross-border groups. The crisis has further accentuated this need. Internationally, G20 countries decided to strengthen the supervision of financial risks with the creation of the Financial Stability Board, welcomed by the FBF. Closer to home, the European Commission issued proposals on 23 September 2009 for the organisation and supervision of European financial institutions. They were largely inspired by the recommendations of the de Larosière Group, which the FBF supported in its response to the consultation, in April. The de Larosière Report, published in February, came out in favour of supervision on two levels, micro- and macro-prudential.

The European Systemic Risk Board (ESRB)

_ The 20 October Ecofin Council meeting adopted a compromise on the European Systemic Risk Board (ESRB). The FBF backs the creation of the new Board, which aims at providing an early warning of macroeconomic risks weighing on financial stability. The ESRB will be tasked with issuing recommendations and warnings to member states, as well as national and European supervisors, which will have to comply with these recommendations or provide an explanation of their refusal to do so. The profession nevertheless regrets that the ESRB does not include a permanent group of stakeholder representatives (bankers, insurers, etc.) and that ESRB recommendations are not more binding.

Three new European supervision authorities

_ The 2 December 2009 Ecofin Council meeting adopted a compromise on the creation of three new European supervisory bodies. They result from the transformation of existing committees (CEBS, CEIOPS and CESR), and enjoy new powers. Alongside national regulators, the three new authorities comprise the European System of Financial Supervisors (ESFS), which is responsible for institutions' micro-prudential supervision. French banks would like to see the new authorities focus on drawing up a joint rulebook and ensuring that rules are applied in the same way throughout Europe. They do not believe the new authorities should interfere in the supervision of banking groups unless European texts are breached. They feel that responsibility for banking supervision should go to the college of supervisors and the parent company's home supervisor for cross-border groups. The FBF supports truly consolidated supervision.

CUSTOMER MOBILITY IN BANKING IN EUROPE

Tangible progress was made on integrating Europe's retail-banking market in November 2009, when banks' commitment to make it easier for customers to switch banks within each EU member state came into force.

FOLLOWING QUESTIONS RELATING TO THE FINANCING OF INTERNATIONAL TRADE

The FBF's European and International Affairs department includes an Export Financing division that represents French banks and intervenes on their behalf with French and international authorities on all questions relating to export financing.

> The integration of the financial markets is progressing

2007

REVOLUTION IN THE CAPITAL MARKETS, FOR INDIVIDUAL SAVERS AND CROSS-BORDER INVESTORS ALIKE: IMPLEMENTATION OF MIFID

The FBF has long advocated the integration of Europe's capital markets. Initiatives taken on UCITS and credit-rating agencies are a step in that direction.

The UCITS directive covers the European passport for UCITS and for asset management companies

The UCITS IV directive was published in the Official Journal of the European Union on 19 November 2009. The European Commission undertook the revision of the existing text in the summer of 2008. The FBF took an active part in consultations about measures aimed at implementing the directive, launched by the CESR in February 2009. The new text includes the European passport for asset management companies. This was a demand of the French banking profession. The passport will allow asset management companies to expand their business from within a single country. It will thereby foster the development of a real European market for UCITS. French banks favour the directive, which aims at facilitating cross-border distribution of UCITS thanks to a new electronic notification procedure between national regulators. The merger of harmonised investment funds is allowed, in single countries as well as across borders. Lastly, the directive simplifies the disclosure requirements for asset management companies in their dealings with prospective investors: the key information that must now be provided should facilitate comparisons between funds (through a KID, Key information investor document).

The directive is to be transposed into national legislation by the various EU member states by 1 July 2011. The FBF is already taking an active part in work being done by the AMF, the French market regulator, to prepare the transposition in France. All UCITS combined, the French market was worth an estimated €1,245 billion in 2008, according to the French Asset Management Association (AFG).

A stricter framework for credit-rating agencies

A new regulation on credit-rating agencies was published in the Official Journal of the European Union on 17 November 2009. It became applicable in all member states at the start of December. The FBF has long advocated better management of conflicts of interest between credit-rating agencies, transparency of credit-rating methods and the differentiation of ratings of corporate debts and those of structured products. It has also backed moves to have them registered and placed under a supervisory authority. As such, the FBF largely supported the proposed regulation.

2008

ADOPTION OF THE CONSUMER-CREDIT DIRECTIVE: A MILESTONE FOR RETAIL BANKING IN EUROPE

2009

EUROPEANS CAN NOW SWITCH BANKS MORE EASILY

> Key figures: French banks in Europe and the world

French banks have more than 1,000 subsidiaries throughout the world

– French credit institutions operate in 89 different countries, via 1039 subsidiaries, 52% of which are in Europe.

CECEI, DATA AS AT END-2008

545 French subsidiaries in Europe

– French credit institutions have 545 subsidiaries in EEA countries, more than double the number in 2000.

Their presence is particularly strong:

- > in the United Kingdom (106 subsidiaries),
- > in Germany (59 subsidiaries),
- > in Italy (60 subsidiaries),
- > in Spain (42 subsidiaries).

CECEI, DATA AS AT END-2008

Banks under foreign control: 10.6% of credit institutions' total assets

– Banks under foreign control represented more than half the number of banks operating in France in 2008, and 10.6% of total assets belonging to credit institutions, according to the CECEI, the French regulator.

They distribute 9.5% of loans and gather 7.5% of deposits.

CECEI ANNUAL REPORT 2008

France is the biggest market in Europe for European banks

– In 2008, more than 66% of foreign subsidiaries operating in France were European, a total of 153 subsidiaries. According to the ECB, at the end of 2008, France was the most popular destination in terms of the number of banking subsidiaries of European origin (83 subsidiaries, ahead of Luxembourg, Spain and Germany), and the second most popular for subsidiaries belonging to banks from non-EU countries (54 units, after the United Kingdom).

ECB, STRUCTURAL INDICATORS FOR THE EU BANKING SECTOR, JANUARY 2010

– France ranks fourth in the EU for the density of branch networks, and ninth for ATMs.

EU BANKING STRUCTURES, OCTOBER 2008

– 8,360 credit institutions in the European Union as at 1 January 2010.

ECB, MFI STATISTICS 2010

ARIANE OBOLENSKY, CHAIR OF THE EXECUTIVE COMMITTEE OF THE EBF

Ariane Obolensky, Chief Executive of the FBF, began her two-year term as Chair of the Executive Committee of the European Banking Federation on 1 January 2009. A key partner for the Commission and the European Parliament, the EBF is central to work being undertaken in Europe. It has taken an active part in defining a response to the financial crisis, particularly in terms of accounting standards and the revision of the CRD. The EBF indirectly represents more than 7,600 retail and wholesale banks – both local and international – employing more than 3 million people.

PROGRESS ON PAYMENTS IN EUROPE

The payment-services directive comes into force in the EU. European banks are now getting ready to migrate to SEPA payment instruments. See page 29



BANKING INDUSTRY HIGHLIGHTS



CHAPTER II

> The French response to the financial crisis

The need to continue financing the economy was a central concern for French banks in 2009. Thanks to the government's economic stimulus package and their own intrinsic strengths, banks continued to supply credit in a challenging environment.

France's stimulus plan quickly made a difference

_ French banks generally held up well during the crisis, thanks to their universal banking model and responsible lending policies.

This is why, less than a year after the implementation of the French stimulus package, most French banks had paid back the quasi-equity contributed by the state via the Société de Prise de Participation de l'Etat (SPPE), a dedicated vehicle set up to recapitalise credit institutions. The contribution – roughly €20 billion for the sector as a whole – was substantially smaller than that made in other countries. It allowed French banks to continue lending, thereby helping bolster the economy. Banks started repaying this money in October 2009.

The Société de Financement de l'Economie Française (SFEF), an agency set up in October 2008 to raise government-guaranteed funds on the capital markets and then lend them to banks, decided to cease its activity in September 2009. French banks had by that time regained their capacity to raise funds on the markets directly. The SFEF raised €77 billion.

_ The French plan showed its effectiveness by helping fill the crisis-related gap in market funding and allowing banks to continue lending. Government receipts in exchange for loans granted by the SFEF and as remuneration for the subordinated securities and preference shares acquired by the SPPE totalled €2 billion.

_ In exchange for this support, banks pledged to increase lending by 3-4% in 2009. The macroeconomic scenario prevailing when this commitment was made, in the autumn of 2008 (GDP growth of 1.3% and inflation of roughly 2%), made this commitment realistic.

However, growth estimates for 2009 were revised down sharply in subsequent months. According to a BIPE survey released in June 2009, growth in lending is closely correlated to change in GDP and inflation. With a depressed economic environment weighing on demand, total lending by all French credit institutions increased by 1.8% in 2009, according to the Banque de France. Loans to households grew significantly, and business loans started picking up towards the end of the year. Banks took numerous initiatives to assist their business customers during this troubled period (see pages 24 and 25).

PROPOSALS BY FRENCH BANKS TO REFORM THE INTERNATIONAL FINANCIAL SYSTEM

French banks were the first to implement the new principles governing the compensation of financial market professionals. They also made proposals in May 2009 as part of the fight against tax havens. See page 8

2002

THE EUROPEAN
REGULATION
ON THE APPLICATION
OF IAS IS ADOPTED

The banking regulation law draws on the lessons of the financial crisis

_ The draft law on banking regulation, presented to the French Cabinet on 16 December, has two planks. It implements the decisions taken by the G20 at the national level, and improves business-financing circuits in order to facilitate the economic recovery.

The draft law is scheduled to be tabled in Parliament in the first quarter of 2010.

> Implementing the G20 principles

_ The draft law institutes a Financial Regulation and Systemic Risk Council. Chaired by the Finance Minister and bringing together the various regulatory authorities within the financial sector, the proposed body aims to prevent sector risks and give France a more coordinated voice in international negotiations.

_ The draft law also serves to transpose European texts into French law. It includes controls on credit-rating agencies, in accordance with the EU's 16 September 2009 regulation. Similarly, it aims to make cross-border controls on European banks more effective, by transposing the 16 September 2009 directive on banking regulation: exchange of information between European financial regulators, introduction of colleges of supervisors into national law.

> Improve SME financing

_ The FBF responded in June 2009 to the consultations undertaken by the High-Level Committee and the AMF on the reform of public offers. Some of its recommendations are included in the draft law on banking regulation. To improve market access conditions for SMEs, the draft law makes public offer and withdrawal procedures mandatory on Alternext.

The FBF backs the proposed measures. The text also encourages the spread of credit insurance for SMEs, and boosts the effectiveness of tools used to fund innovation by SMEs, by merging the three OSEO companies, which provide assistance and financial support to French SMEs.

A new "Prudential Control Authority" is to be created

_ At the end of July, Finance Minister Christine Lagarde announced the merger of existing authorities and the creation of a new authority tasked with supervising insurance and banking industries. French banks are in favour of this reform.

_ The plan will modernise the supervision of France's financial sector, by creating a new and autonomous authority. For the FBF, it is important that the reform should simplify existing structures and allow for greater consistency between the various areas of the financial sector, while at the same time respecting their specific nature.

2003

THE FBF STEERED
THE REALISATION
OF A TRAINING MODULE
FOR THE FIGHT AGAINST
MONEY LAUNDERING
FOR THE ENTIRE
BANKING PROFESSION

2004

THE AFB, WORKING
WITH EMPLOYEE
AND EMPLOYER
REPRESENTATIVES,
CREATES THE OBSERVATORY
OF BANKING PROFESSIONS

> Banks active in the fight against money laundering

The transposition of the EU's third directive is a major undertaking for French banks, in terms of training, organisation and customer relationship.

Major compliance work in banks

– The French government's bill dated 30 January 2009 that transposes the EU's third directive aimed at combating money laundering and terrorist financing. It was followed by application decrees setting out financial institutions' obligations. The last of these was issued on 18 January 2010.

– The two biggest changes are the application of the principle of a differentiated approach based on risk, and the extension of the list of breaches that must be notified to the relevant authorities, which now cover all offences which are punishable by deprivation of liberty or a detention order for a maximum of more than one year, that includes in France tax evasion, illegal work, theft and fraud. French banks worked hard to ensure their internal compliance with the new rules and to train their employees. The FBF and the CFPB (the training organisation of the banking industry) have put together a new training module that will replace the 2003 module early in 2010. The former module was used to train nearly 400,000 bank staff.

New obligations of vigilance towards customers

– Banks are required to update their files on all customers and question them to determine the object and the nature of their transactions. Since September 2009, banks have been applying new obligations of vigilance towards their customers. Information that may be collected at any time during the business relationship is set out in the 2 September 2009 Executive Order.

Obligations to report suspicious transactions clarified, making for a more appropriate response

– The FBF is working with the authorities to achieve the most effective and pragmatic possible approach to the new provisions, despite the extension of the list of suspicious transactions that must now be reported. For instance, in terms of tax evasion, the rules state that banks need to notify the authorities only if two conditions are fulfilled: if they harbour suspicions about a transaction and are aware of an indicator of money laundering or tax evasion. The list of indicators stated in the 16 July 2009 decree allows institutions to focus on the situations that present the highest level of risk, and to target major tax-evasion schemes (use of a dummy corporation, sale of a real estate assets for a significantly lesser price than its market value, etc.).

– To satisfy demand from professionals, the French Banking Commission and Tracfin, the French Finance Ministry's anti-money laundering service, published joint guidelines on the notification of suspicions transaction Report in December 2009. The FBF took part in market discussions on this issue.



A CUSTOMERS' GUIDE TO CHECKS RELATING TO THE FIGHT AGAINST MONEY LAUNDERING

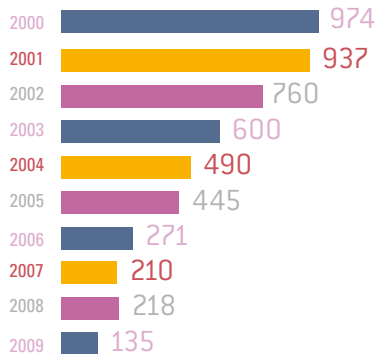
In March 2009, the FBF published a new mini-guide in the "Keys to Banking" series. It tells customers how and why banks carry out checks, and how they can have practical consequences on their relationship with the bank. It can be downloaded on the fbf.fr and lesclesdelabanque.com websites.

ASSESSMENT BY THE FATF

The French anti-money laundering system is currently being assessed by the Financial Action Task Force, which is scheduled to issue its report in October 2010.

> Safety figures

CHANGE IN THE NUMBER OF ARMED HOLD-UPS BETWEEN 2000 AND 2009



SOURCE: FEDERATION BANCAIRE FRANÇAISE

Hold-ups: acts of violence down 38% in branches in 2009

– The number of armed hold-ups in bank branches continued to fall in France. There were 135* hold-ups in 2009, as opposed to 218 in 2008. The fall in the number of hold-ups is attributable to:

- > preventative measures taken by banks, which are maintaining a high level of vigilance around the application of security procedures concerning their customers, employees and offices;
- > positive results of action taken by the police.

* Last year's number is not yet definitive. It is subject to change due to the time needed to consolidate data.

14,565 suspicious transactions reported

– In 2008, Tracfin logged 14,565 notifications of suspicion, up from 12,481 in 2007. Credit institutions accounted for more than 79% of notifications made.

> Social dialogue continued in 2009

On employment...

– In May 2009, the AFB concluded a collective agreement on employment in the banking industry, signed by four unions. It aims to help young people get their first job. It sets out commitments by the profession aimed at assisting young people facing difficulties (disabilities, inadequate educational for the job market, etc.) and proposes a regional response. The agreement institutes a "Contrat à Objectif Défini" (a contract for a specific assignment), on the same terms across the industry, which can be used by sector players. It also provides for talks on provisional employment and skills management, and in particular the industry's commitment to put together employment and skills management tools and mechanisms for banking industry SMEs. These tools will be made available early in 2010.

... and uncivil behaviour

– The AFB took the initiative in March 2009 and proposed a series of talks with unions about the revision of the November 2006 agreement on uncivil behaviour endured by customer-facing staff. In December 2009, the AFB signed an indefinite agreement with all industry unions, extending parts of the previous agreement, particularly the collection of data on the number of cases, training, and assistance for victims of uncivil behaviour. Banking is the first customer-facing industry in France to have signed a collective agreement of this nature. The agreement made it possible to list the number of cases of uncivil behaviour suffered by customer-facing staff. A total of 2,253 of such cases were noted in 2008. It will be monitored every year.

2005

BANKS REINFORCE THEIR INTERNAL CONTROLS

2007

THE FBF FINANCES FIVE RESEARCH CHAIRS IN INVESTMENT BANKING AND CAPITAL MARKETS

2009

TRANSPPOSITION OF THE THIRD EU MONEY LAUNDERING DIRECTIVE

> Jobs in banks

Despite the crisis, banks continued to recruit new staff. They also took a more active upstream role, helping orient and train young people.

More than 36,000 recruitments in banks in 2008

_ In 2008, the recruitment rate worked out at nearly 8%, according to the AFB's employment report, a shade under the result in 2007. Across the board, banks hired more than 36,000 people in 2008. New hires remained at high levels, despite the financial crisis. The major trends continued, particularly the increase in qualifications. The number of people hired with four or five years' post-secondary education is increasing (42%), in a bid to keep up with change in the banking profession. These young people occupy posts in support functions at banks' headquarters or in their networks, as account managers working with self-employed people or SMEs. People with two or three years of post-secondary education are still very popular, particularly in the sales force (41.8% of new hires). Nearly two-thirds of people hired are aged below 30.

Agreements with higher-education institutions

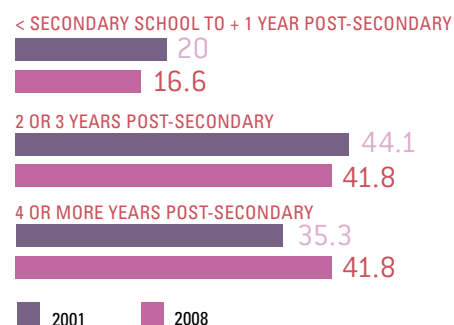
_ Ariane Obolensky, Chief Executive of the FBF, and Valérie Péresse, French Minister for Higher Education and Research, signed an agreement in June 2009 aimed at reinforcing relations between higher-education institutions and the banking profession within the framework of French universities' new-found autonomy.

The agreement will make it possible to build on exchanges already in place, particularly via information on the various professions and orientation, the organisation of contacts with banks looking for permanent staff and interns, and the presence of people from the banking industry on university boards. The first concrete result was in profession training. It involves the Directorate General for Higher Education and the CFPB (the training organisation for the banking industry), setting targets for an increase in the number of work-study programmes, the development of training partnerships and the implementation of innovative programmes as part of life-long training and career development. The partners pledged to annually increase the number of people in work-study bachelors and – especially – masters programmes by 5% in the coming three years.

A study about control functions in banking

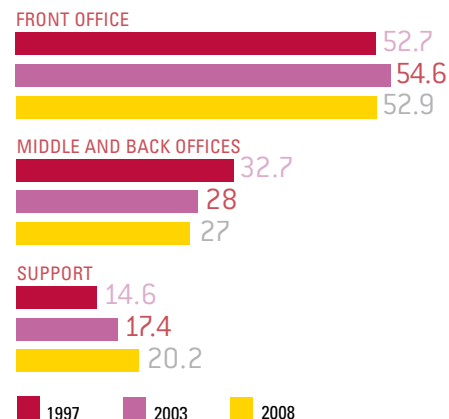
_ The Observatory of Professions, Qualifications and Gender Equality in Banking published a study devoted to control professions at the end of 2009. Banks have gradually reinforced their internal control functions and made them more professional, particularly under the impetus of prevailing regulations. The study dealt with three important functions: compliance, risk and audit/inspection. The entire report is available, in French, on the Observatory's website.

CHANGE IN RECRUITMENTS BY EDUCATIONAL ATTAINMENT, 2001-2008 AS A %



SOURCE: AFB EMPLOYMENT SURVEY, JUNE 2009

CHANGE IN STAFF NUMBERS BY MAJOR JOB CATEGORIES AS A %



SOURCE: AFB EMPLOYMENT SURVEY, JUNE 2009



BANKS AND THEIR CUSTOMERS



CHAPTER III

> Bank-customer relationships: fresh progress

In 2009, banks pressed ahead with their efforts to make their activity clearer and easier to understand.

Banks have made their prices more transparent

— In early 2009, banks sent their clients their first annual statement of the charges on current accounts. This is an obligation under the French law dated 3 January 2008, and rounds out a series of initiatives already taken by banks to make their prices more transparent (price schedules available on websites and in branches, visual codes on statements making it easier to identify account-management fees, etc.). More than half the French population (56%) say they now have a good grasp of what their bank costs them. Fifty-four percent of French people remembered having received the annual statement of banking fees in 2009, several months after it was sent.

IFOP SURVEY, JUNE 2009

Easier mobility

— In accordance with commitments made in May 2008, French banks launched a service aimed at helping people change banks on 1 November 2009. The idea is especially to have the new bank take charge of transferring all direct debits and transfers on behalf of the customer. The new mechanism adheres to the joint principles adopted by European banks, aimed at making it easier to switch banks within the European Union. It completes numerous measures already taken by French banks. A total of 5% of French people switched banks in the 12 months to mid-2008 (i.e. the equivalent of a large bank's entire customer base).

IFOP, 2009

A charter to promote equality in bank-customer relationships

— With a view to ensuring the best possible treatment throughout the banking relationship, with customers across the board, French banks signed an agreement with the Halde* on 26 June 2009. The two bodies pledged to work together to fight against discrimination and promote equality in bank-customer relationships.

* France's High Authority against Discrimination and for the Promotion of Equality

Enlargement of the scope of banking mediation

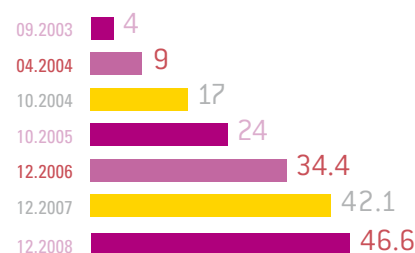
— In 2008, the scope of banking mediation was broadened to cover loans, savings and financial products. Banking mediators dealt with 24,800 complaints in 2008 (+15.7%). Nearly one-third of complaints resulted in mediation. With the enlarged scope of mediation, there has been an increase in the number of complaints relating to loans and investments.

REPORT ON BANKING MEDIATION IN 2008, BANQUE DE FRANCE, FIRST QUARTER 2010.

79% OF CUSTOMERS HAD AN ACCOUNT AGREEMENT AT END-2008

At the end of 2008, 46.6 million French customers had account agreements, i.e. nearly 79% of retail customers. This was up from 17 million in October 2004. Account agreements are contracts signed between the customer and the bank, setting out all the conditions governing day-to-day account management: terms for opening and closing accounts, price schedules, the rights of signatories, etc. These contracts have been given to customers opening accounts since 2003. Banks have been actively encouraging customers whose accounts were opened prior to that date to obtain one.

CHANGE IN THE NUMBER OF CUSTOMERS EQUIPPED WITH ACCOUNT AGREEMENTS (IN MILLIONS)



> Loans: information and accessibility

2001

SIGNATURE OF THE BELORGEY AGREEMENT HELPING PEOPLE WITH HEALTH ISSUES GAIN ACCESS TO LOANS

Banks are working actively to improve the information available to customers on loans. They have applied the commitments made in 2008 and taken initiatives to help their customers during the crisis.

Home loans: banks have been helping their customers during the crisis

– Credit institutions have stepped up their efforts to help their customers in a troubled economy.

> Bank networks are assisting home borrowers affected by problems relating to employment (temporary unemployment, layoffs, etc.). The aim is to find tailored solutions to allow customers to continue repaying their loans under the best possible conditions, despite their difficulties (adjustment, repayment deferrals, etc.).

> In accordance with their commitments, banks have contacted all customers with bridging-loans in order to examine their situation and propose solutions in the event of problems (modification of the loan, sale conditions, etc.). In May 2009, the FBF posted a list of “bridging-loan contacts” for each bank on its website.

> Banks have also worked hard to implement the new interest-free loan for new builds – double the size of the previous scheme – announced by the government towards the end of December 2008 and launched on 15 January 2009.

2002

BANKING MEDIATION IS OPERATIONAL AND FREE OF CHARGE

Borrowers' insurance: more information to facilitate choice

– Fulfilling a pledge made in November 2008, banks began giving borrowers looking for insurance on their home loans a standard information sheet on 1 July 2009. This sheet, prepared by banks and insurance companies in partnership with consumer protection associations, is aimed at providing better information on the conditions attached to proposed contracts, and making it easier to choose between the different products on offer.

2003

BANK-CUSTOMER RELATIONSHIPS ARE NOW FORMALISED IN A CONTRACT: ACCOUNT AGREEMENTS

Variable-rate loans: a more secure and transparent offering

– In order to promote a better understanding of information relative to variable-rate loans, the banking and finance industry put together a joint glossary in 2009. It sets out the most widely used terms in banks' loan contracts and advertising. The glossary is available on the fbf.fr and lesclesdelabanque.com websites, and is being phased into the various banks' marketing documents. This initiative rounds out the series of commitments made by the profession in May 2008, aimed at boosting customer confidence, and ensuring that people are better informed about variable-rate loans. With the glossary, all these commitments have now been fulfilled.

AERAS: an increasingly well-known mechanism

_ In 2009, banks made fresh efforts to improve information on the AERAS agreement, which helps people with aggravated health risks find insurance to borrow. Since July 2009, all bank branches have stocked brochures devoted to the AERAS scheme – the same brochure across the profession – including the telephone number of each bank’s AERAS contact. The aim is to increase awareness of the scheme among customers and account managers.

_ The banking profession distributed more than 130,000 AERAS mini-guides in 2009 (not counting downloads on websites). Training sessions have also been organised to make people working in the social economy and associations more aware of the scheme. The interactive voice server on the AERAS agreement, set up by the FBF and the FFSA, received nearly 7,500 calls in 2009 (+15% on 2008).

_ The Monitoring Committee, in its report on the application of the AERAS agreement, applauded the initiatives taken by the banking industry to provide the public with more information. In 2009, 27% of French people knew of the existence of a scheme aimed at helping people with health issues gain access to loans. Awareness rose to 38% for people aged between 50 and 64, the age group most likely to be concerned by the initiative.

IFOP SURVEY, JUNE 2009

_ In 2008, insurance companies received, across the board, 3.75 million requests for insurance on home and professional loans. Proposals were made for 99.7% of these demands, according to the FFSA. People with an aggravated health risk made 10.3% of requests (386,000). Only 2.8% of these people were unable to be insured.

Success of the environmental interest-free loan

_ The environmental interest-free loan scheme (Eco-PTZ) came into force in April 2009, and French banks had made about 75,000 loan offers by year’s end. This is in line with the government’s goal of distributing nearly 200,000 loans by end-2010. The success can be put down to the commitment of the people involved (real estate professionals, builders, etc.), but above all to credit institutions, which were quick to put into place the means necessary to train their staff and equip their organisation to distribute the new loan. Confirming the scheme’s success, French banks alerted the government in July 2009 to the need to clarify a number of regulatory issues (particularly the list of eligible renovations), so as to make it easier for people to carry out their projects.

THE ENVIRONMENTAL INTEREST-FREE LOAN (ECO-PTZ)

Included in the 2009 French budget, the environmental interest-free loan allows individual customers to borrow up to €30,000 for up to ten years to finance renovation work aimed at increasing their home’s energy efficiency (insulation, heating etc.).

> Banks working with SMEs

2004

OPENING OF THE FBF'S INFORMATION WEBSITE AT WWW.LESCLESDELABANQUE.COM

French banks are working harder than ever to assist SMEs in today's challenging economic environment and to help finance their projects. They are listening carefully to their needs, and support measures aimed at boosting their capital.

Close involvement in the loan mediation mechanism

French banks are working to help finance all companies, especially micro-businesses and SMEs. They are taking an active part in the loan mediation mechanism aimed at finding solutions to cash-flow problems and financing difficulties potentially encountered by companies. More than 500 correspondents have been designated in banking networks to monitor the mediation process in the field. On 27 July 2009, French banks signed a market agreement with the government and the Banque de France to extend the mechanism until the end of 2010, when it will be put on hold.

A year into the process, the results are positive. Financing solutions have been found in two out of every three cases. Support has been provided for some 8,500 companies, and more than 165,000 jobs have been saved.

REPORT OF THE CREDIT MEDIATOR: "A YEAR OF CREDIT MEDIATION FOR BUSINESSES", DECEMBER 2009

French banks in the field

French banks are also actively monitoring the SME support plan in the country's regions. The FBF's 107 territorial committees regularly take part in meetings organised in the French *départements* by prefects, with the support of the Trésoriers Payeurs Généraux (TPG) and departmental heads of the Banque de France.

The FBF Executive Committee and SMEs

At the end of 2009, the senior management of the leading French banks decided to meet with SMEs on a rotating basis in the field. In total, more than 1,200 SMEs set out their concerns during about ten meetings organised by the FBF's regional committees. Meetings were held in towns including Lyon, Marseille, Strasbourg, Clermont-Ferrand and Nantes. A wide range of issues were addressed (lending, cash management, equity, export and innovation financing, etc.). This collective action reflects banks' determination to reaffirm the close dialogue between banks and business, and to demonstrate their commitment to helping SMEs.

2005

"THERE IS AN ACCOUNT FOR PEOPLE WHO DON'T HAVE AN ACCOUNT": THE FBF'S CAMPAIGN ON THE RIGHT TO BANKING SERVICES

2006

THE FBF TAKES PART IN THE "ALL TOGETHER FOR A MORE SECURE INTERNET" PROGRAMME

Initiatives for financing SMEs

_ French banks have taken several measures to support SMEs in a troubled economic environment. In April 2009, the FBF signed an agreement on equity financing for companies under mediation. The aim is to provide a meeting ground for private investors and companies looking for capital. In that way, companies can increase their solidity and satisfy their ongoing financing needs.

_ In April 2009, bank managements signed an agreement with the government, pledging to propose a total of €7 billion in export financing in 2009 under the SFEF scheme.

_ On 1 October 2009, representatives of the leading French banks and insurance companies pledged before France's Strategic Investment Fund (FSI) to take part in the Fund for Business Consolidation and Development. This fund is aimed at acquiring minority interests in SMEs that have been undermined by the economic crisis, to support them.

_ French banks also welcomed the plan unveiled by President Sarkozy on 5 October aimed at consolidating SME capital.

Encourage people in difficulty to start businesses

_ In October 2009, the FBF concluded a protocol aimed at fostering business creations among people in difficulty, as part of a new government-sponsored mechanism known as "Nacre"* signed between the state and the Caisse des Dépôts et de Consignations. The aim is to provide the entrepreneurs concerned (unemployed people and recipients of government benefits) with appropriate assistance, more financing and easier access to banking services. FBF Regional committees are taking action to ensure that banks are involved in the field. A total of 20,000 unemployed people and recipients of government benefits with plans to start a business should thereby benefit from Nacre* interest-free loans in 2010, coupled with bank loans that can be guaranteed. The main French banks are rolling out this new service gradually.

* Nouvel accompagnement des créateurs et repreneurs d'entreprise (new accompaniment for people creating or acquiring businesses)

The "Keys to Banking" programme for professionals

_ After the success of the "Keys to Banking" information plan for individual customers, the FBF launched an initiative targeting professionals in February 2009. The scheme is aimed at assisting trades people, shop owners and self-employed professionals in their day-to-day business and their relationship with their bank. As for individuals, the "Keys to Banking for Professionals" website offers access to a collection of mini-guides covering various topics of interest to professional people (professional current accounts, cash-flow needs, micro-businesses, etc.).

PROPORTION OF COMPANIES TO HAVE REQUESTED LOANS AND OBTAINED ALL LOANS REQUESTED OVER THE LAST SIX MONTHS

FRANCE 80.4%

GERMANY 74.4%

ITALY 66.4%

OTHER EUROZONE COUNTRIES
61.5%

SPAIN 42.2%

ECB SURVEY FIELDWORK JULY 2009,
PUBLICATION SEPTEMBER 2009

THE LATEST ISSUES OF PROFESSIONAL MINI-GUIDES



> Key figures: bank-customer relationships

2007

PUBLICATION
BY THE FBF, IN
CONJUNCTION
WITH OSEO AND COFACE,
OF A BROCHURE ON
SHORT-TERM FINANCING
FOR SME BORROWERS

Accessible banking services

Nearly 39,000 branches as at end-2009 (including La Banque Postale outlets).

CECEI

53,300 ATMs in 2008, virtually double their number 10 years earlier.

GIE CB, 2008 ACTIVITY REPORT

Nearly 1.3 million points of sale accepted payment by bankcards as at end-2008 (retailers, ATMs, catalogue sales, etc.).

GIE CB, 2008 ACTIVITY REPORT

2008

THE PROPORTION
OF INTERNET USERS
TO HAVE CONSULTED
BANK WEBSITES HAS
DOUBLED COMPARED
WITH 2001, TO 64%
OF FRENCH PEOPLE
(SOURCE: IFOP)

Prices for banking services within the European average

Prices for banking services in France fell by 2% in 2008. They average €65.80 per annum, below the eurozone average of €71.10 and the global average of €70.30.

WORLD RETAIL BANKING 2009 REPORT, EFMA/CAPGEMINI

Financial services accounted for 0.57% of household budgets in 2009, according to INSEE. By comparison, telephone services accounted for 2.79% and insurance 2.19%.

Better information on the various services

71% of French people consider themselves to be well informed about the day-to-day management of their bank account (+5 points).

57% of French people feel it is easy to obtain banking prices when necessary.

29% are aware of mediation services in French banks.

BANK IMAGE SURVEY, IFOP 2009

2009

MEETINGS
BETWEEN FBF EXECUTIVE
COMMITTEE MEMBERS
AND SMEs IN THE FRENCH
REGIONS

Robust and dynamic competition

More than 1 million guides on switching banks were distributed by the FBF and French banks (not counting downloads on websites).

7% of French people have opened an account in a new bank in the last 12 months.

28% of French people had accounts with several banks in 2009.

BANK IMAGE SURVEY, IFOP 2009

Banks still have a positive image overall, despite the crisis

71% of French people have a good image of their bank.

67% of French people are satisfied with their account manager. Two-thirds of French people find them accessible.

BANK IMAGE SURVEY, IFOP 2009

The right to a bank account: a reality

More than 98% of French people aged 18 and over have bank accounts, one of the highest rates in Europe, where the average is 80%.

EUROPEAN COMMISSION MAY 2008

French banks have worked hard to ensure that people are aware that they have the right to hold a bank account (formalised in January 2009 in the Accessibility Charter).

In 2009, one-quarter of French people were aware of this right (26%).

IFOP SURVEY, JUNE 2009

More than 33,600 persons exercised their right to hold an account in 2009, an increase of 5% in one year.

BANQUE DE FRANCE

Some 1.7 million people were not allowed to have a chequebook in 2008. Of these, 74% had access to alternative means of payment (set of alternative payments, cards requiring systematic authorisation, etc.) as at end-2008.

8.3 million: the number of cards requiring systematic authorisation in circulation as at end-2008, an increase of 2.8% compared with 2007.

CCSF 2009 REPORT

Loans to finance personal projects

14 million French households had a loan outstanding as at end-2008, an increase of 200,000 on 2007. While this number edged down slightly (-4.1%), on the back of more muted customer demand, 52.6% of French households had a loan outstanding in 2008, one of the highest levels recorded since 1989.

31.3% of households had a home loan as at end-2008, and more than one-third (33.8%) had a consumer loan.

Young people are increasingly buying their own homes: nearly 19.2% of people aged under 30 have taken out a loan to buy their home, up from 13.2% in 2001.

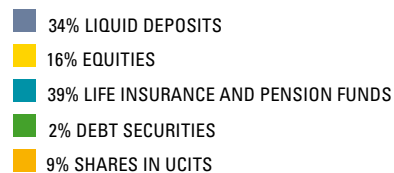
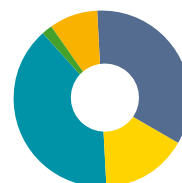
HOUSEHOLD CREDIT OBSERVATORY, MARCH 2009

Household savings still high

French households were saving at a rate of 17% in the third quarter of 2009, according to INSEE, an increase of 1 point on the earlier part of the year.

In France, credit institutions were managing 72 million current accounts as at end-2008, and 149 million term-deposit and savings accounts (passbook accounts, CEL, PEL, LEP, etc.), according to the CECEI.

FRENCH HOUSEHOLDS' INVESTMENTS AS AT END-JUNE 2009 AS A %



SOURCE: BANQUE DE FRANCE



PAYMENT INSTRUMENTS



CHAPTER IV

> Pan-European payments: a new legal framework now in force

French banks were ready for the transposition of the payment-services directive on 1 November 2009. They are now preparing for the launch of SEPA direct debits.

French banks are implementing the new payments framework

– The transposition of the payment-services directive has ushered in a new legal framework for payments in France. A vital step in the construction of a genuine single payment services market in Europe, the new framework governs relations between payment-service providers and customers, and opens up the market to new players: payment institutions. It also offers progress for customers in a number of areas:

- > shorter settlement times for fund transfers in euros,
- > more detailed information in contractual documents,
- > possibility of contesting an unauthorised or incorrectly executed payment transaction during a 13-month period.

– Given the significant impacts of the transposition into French law, the banking profession was quick to take an active role, making proposals to the government, with the aim of preserving the security and stability of the French payment system.

– Despite the fact that the transposition order and the application decrees were not published until July 2009, French banks were ready when the new system came into force on 1 November 2009: they had carried out the necessary modifications to IT systems, trained account managers and informed their customers about the changes to come. They had also begun gradually changing the relevant contracts, and planned to make updated account agreements available to customers before May 2010, in accordance with the provisions of the texts in question.

– However, as some member states are running late on the transposition of the European directive, it will be necessary to adapt procedures relating to the implementation of the Single Euro Payments Area (SEPA).

SEPA credit transfers are up and running

– The National SEPA Committee, chaired by the Banque de France and the FBF, is coordinating the implementation of SEPA in France. In the first half of 2009, SEPA credit transfers accounted for 0.8% of all transfers carried out in France. However, the huge efforts made by the administration in 2009 to allow the issuance of SEPA credit transfers as of 2010 should help boost their popularity. Efforts by professional bodies with a view to providing better information about SEPA credit transfers to SMEs should also buoy the trend.



A MINI-GUIDE ON THE LEGAL FRAMEWORK FOR PAYMENTS

In order to inform the public about the changes ushered in by the payment-services directive, the FBF published a “Keys to Banking” mini-guide in October 2009.

EXTENSION OF THE REGULATION ON CROSS-BORDER PAYMENTS

The 16 September 2009 EU regulation replaces the 2001 regulation on cross-border payments in euros and extends its scope. The principle of the equality of charges between domestic and cross-border payments, brought in for cross-border card payments and credit transfers in 2001, is extended to cover payments by direct debit as of 1 November 2009.

Changes to the French timetable for SEPA direct debits

_ The National Committee decided in late April 2009 to defer the introduction of SEPA direct debits in France until 1 November 2010. This is the deadline set in regulation (EC) 924/2009 dated 16 September 2009, which obliges all banks to be in a position to offer their customers SEPA direct debits. France's decision takes into account the need to adapt procedures, due to the fact that some EU countries have not yet transposed the payment-services directive. It also takes into account the decision by the European authorities to prohibit multilateral interchange fees for direct debits as of 1 November 2012, and the need to define a new business model.

Setting a deadline for migration to SEPA

_ The National SEPA Committee believes that setting dates for the permanent replacement of domestic payment instruments by SEPA instruments will force all players in Europe to make a move, thereby spurring migration to SEPA. Similarly, the conclusions of the 2 December 2009 Ecofin Council meeting were highly favourable to the adoption of European deadlines for migration to each different type of SEPA instrument.

A new stage in the "Monnet project"

_ The feasibility study carried out into the prospective new pan-European card system initiated in 2008 by the leading French and German banks showed that there is a real opportunity for French banks, the market and all users to put together a pan-European card system, removing the need to rely on international systems alone.

_ In the autumn of 2009, the second phase of the "Monnet project" began: talks with the European authorities and the presentation of the project specifications to Europe's leading banks, in order to verify their interest and the project's viability. These talks, which are scheduled to end in early 2010, are aimed at deciding which European organisation is best placed to carry out an in-depth study of the prospective new card system that could become a reality in two to three years.

Revision of the e-money directive

_ The 16 September 2009 e-money directive replaces a previous directive dating back to 2000. It lowers the status and lightens the prudential constraints placed on issuers of e-money, by aligning them with those laid down for payment institutions in the payment-services directive. The FBF has taken action to ensure that the new text does not dilute user protection, and that it maintains a level playing field with credit institutions. The new text reinforces a number of the provisions of the original directive: the initial capital requirements imposed on individual issuers of e-money are raised, and e-money institutions are required to have their own funds representing 2% of outstanding e-money. Member states are required to transpose the directive into national law by 30 April 2011.

2002

THE CASH
EURO BECOMES
A REALITY

2003

MORE PAYMENTS
ARE MADE BY CARD
THAN BY CHEQUE
FOR THE FIRST TIME

A NEW SEPA GOVERNING COUNCIL?

In September 2009, the European Commission published the 2009-2012 SEPA roadmap. The creation of a new SEPA Council, chaired by the European Central Bank and the DG Internal Market, could provide a response to the difficulties encountered in the governance of the SEPA projects. However, French banks believe that the DG Competition should be involved, and that the new Council should clarify its position vis-à-vis existing bodies.

2005

THE FBF TAKES PART
IN THE "LEARNING
ABOUT A MORE
SECURE INTERNET"
PROGRAMME

> Online banking increasingly secure

French banks are constantly reinforcing the security of online payments and banking. They are investing in powerful online authentication systems.

The security of online banking acknowledged

– Online banking enjoyed strong growth in 2009: 71% of internet users visited their bank's website (+7 points year-on-year). This change is backed up by broad acknowledgment of the security of online banking services: 71% of internet users believe their connection to be secure. Despite the growth in online services, 43% of French people say they will continue to go to their branch as often as in the past.

– Customers use the internet above all to check their balance (63% of internet users) or make transfers (44%). Online banking is also popular for getting information about products and services (28% of internet users), carrying out simulations (19%) and comparing bank fees. By contrast, only 9% of internet users say they have bought savings or investment products online.

IFOP SURVEY, MAY 2009

Online authentication reinforced

– To increase the security of online payments, French banks are gradually investing in powerful authentication systems with one-time PINs. The choice of procedures for authenticating card users is up to individual banks. Several systems are available: a calculator used to key in a PIN, which then generates a one-time PIN, a one-time PIN sent by SMS, a digital certificate, etc. The range of possibilities is in itself a guarantee of security.

– These solutions are part of the 3D Secure protocol, which French banks plan to extend in June 2010. This is a broad organisation involving retailers and their banks, and card bearers and their banks, meaning that retailers will also have to invest in security.

Bankcard fraud: diverging trends

– The rate of fraud⁽¹⁾ on payments and withdrawals made by card in the French system was 0.069% in 2008, for a total of €320.2 million, according to the Observatory of Payment Card Security.

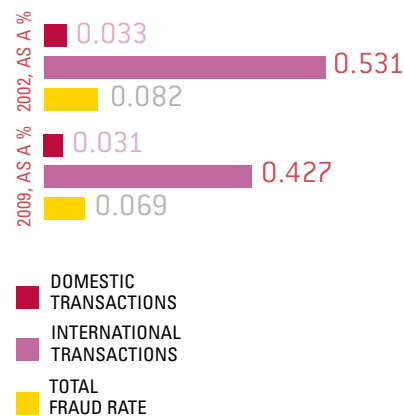
– 59% of fraud affected international transactions⁽²⁾ (57% in 2007), which accounted for 10% of the value of card payments made in French systems.

– In France, the rate of fraud on domestic transactions has remained very low (0.031%), although the amounts concerned were up 7.9%.

1 The amount of fraud as a percentage of the total number of transactions.

2 Transactions made by French card bearers abroad, or transactions made by foreigners in France.

CHANGE IN THE FRAUD RATE ON CARD TRANSACTIONS



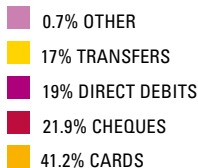
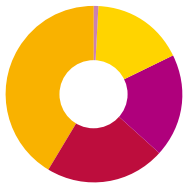
SOURCE: OBSERVATORY OF PAYMENT CARD SECURITY, JULY 2009

> Key figures: payment instruments in France

2006

WITH EMV, CHIPS BECOME STANDARD FEATURES ON EUROPEAN BANKCARDS

BREAKDOWN OF PAYMENTS INSTRUMENTS IN FRANCE IN 2008



SOURCE: BANQUE DE FRANCE

2007

LAUNCH OF EUROPEAN CREDIT TRANSFERS

2010

SEPA DIRECT DEBITS BECOME AVAILABLE

Nearly 16 billion payments in 2008

_ 15.8 billion payments were made by French banks' individual and business customers in 2008 (excluding cash payments and ATM withdrawals), representing an **increase of 2.8% year-on-year**.

BANQUE DE FRANCE

Cards remain very popular

_ Cards (interbank or private) remain the most commonly used payment instrument, representing more than 41% of **payments, up 6.5% year-on-year**.

BANQUE DE FRANCE

_ For €25 purchases, 51% of French people prefer to use a bankcard (+1 point year-on-year), as opposed to 37% who prefer cash and 8% (-3 points year-on-year) who pay by cheque.

IFOP SURVEY, MAY 2009

_ According to the Payment Card Observatory, there were **85.4 million** payment cards (interbank or private) in France 2008, of which:

- > 58.2 million interbank cards ("CB"). They accounted for transactions (payments and withdrawals) totalling €412.9 billion.
- > 27.2 million privately issued cards, with transactions totalling €26.8 billion. Most privately issued cards cannot be used to make cross-border transactions.

Cheques continue their decline

_ By contrast, the number of cheques issued fell by **5% year-on-year**, continuing the decline. Cheques accounted for less than 22% of payments in 2008.

BANQUE DE FRANCE

More than €23,000 billion exchanged

_ The total amount of payments made in 2008 was €23,374 billion, nearly **12 times France's GDP**.

_ In value, credit transfers alone made up more than three-quarters of total transactions (83%), well ahead of cheques (9%), direct debits (3%) and cards (1.4% of total transactions amount).

BANQUE DE FRANCE

Average amounts by payment type in 2008:

- > €593 for cheques,
- > €7,210 for transfers,
- > €349 for direct debits,
- > €73 for card withdrawals,
- > €51 for card payments.

BANQUE DE FRANCE

> Key figures: payment instruments in Europe

Nearly 80 billion payments in Europe

_ 78 billion cashless payments were made in the European Union in 2008 (+5% year-on-year), 20% of which by French people. Nearly one-third of transactions were made by card (37%), ahead of transfers 28% and direct debits 26%, according to the ECB.

- _ On average, Europeans made 157 payments in 2008, breaking down as:
 - > 59 by card,
 - > 43 by transfer,
 - > 41 by direct debit,
 - > 11 by cheque,
 - > 1 using e-money.

_ However, these numbers mask big differences in practices from one country to another. Finns made 190 card payments over the year, compared with 102 for French people, 27 for Germans and less than 2 for Bulgarians.

ECB PAYMENT STATISTICS, SEPTEMBER 2009

Less than 8% of European payments are made by cheque

_ The decline in the number of cheque transactions accelerated in 2008, with payments down 7.7% year-on-year. While people in many countries write less than one cheque every year on average (Austria, Poland, Sweden, etc.), or none at all (Netherlands), French people still write an average of 54 cheques per year. This means that nearly 60% of payments by cheque in Europe were made in France.

Nearly 90% of payments are made by credit transfer

_ Payments totalling €259,000 billion were made in Europe. Credit transfers accounted for 89.3% of this amount, the balance being split between direct debits (6%), cheques (3%) and cards (less than 1%).

ECB PAYMENT STATISTICS, SEPTEMBER 2009

Migration to the EMV standard will be complete by end-2010

_ The migration of card systems to the EMV standard is aimed at improving the security of cross-border payments. Through the EPC, European banks are committed to completing this migration by the end of 2010.

By the end of March 2009, migration to the EMV standard was virtually complete in France: 100% of "CB" cards, 99.5% of payment terminals and 100% of ATMs were compliant.

In Europe as a whole, 67.5% of bankcards in circulation within the EU member states were compliant with the EMV specifications (+6 points year-on-year). But the situation varies greatly from one country to another.

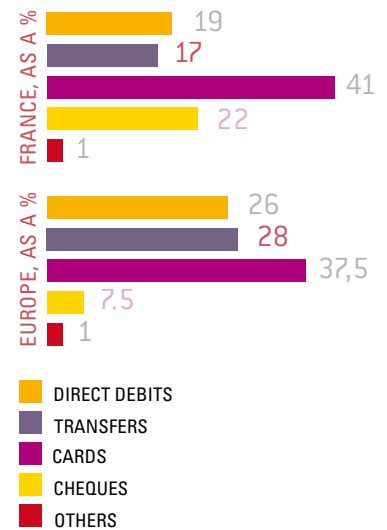
OBSERVATORY OF PAYMENT CARD SECURITY, JULY 2009

FRENCH PEOPLE FAVOURABLE TO EUROPEAN PAYMENT INSTRUMENTS

Fifty-seven percent of French people believe it is important to have the same payment instruments in all European countries. Sixteen percent believe this to be indispensable.

IFOP SURVEY, MAY 2009

BREAKDOWN OF PAYMENT INSTRUMENTS IN FRANCE AND EUROPE IN VOLUME IN 2008



ECB PAYMENT STATISTICS, SEPTEMBER 2009



THE FBF



CHAPTER V

> The French Banking Federation's missions and organisation

Missions

_ The French Banking Federation (FBF) promotes the banking and financial services industries in the French, European and international markets, and sets out the industry's positions and proposals to officials and regulatory authorities in the fields of business and finance. The FBF also issues professional recommendations and agreements, and makes its experience available to its members. Its mission also includes keeping members among French banks informed of anything that may concern their activities.

Organisation

_ To fulfil its mandate, the FBF is structured around three departments:

> Banking and Financial Activities and Research

This department offers a full range of banking expertise, and oversees the FBF's commissions and committees in areas including retail banking and direct banking, investment banking and capital markets, risk control and capital adequacy requirements, payment systems and instruments, and legal and tax issues. It also negotiates and works with various French and European government and regulatory authorities.

> Information and External Relations

The role of this department is to anticipate changes in the political, economic and social environment, promote the role of the banking sector in society and keep the general public informed. It is responsible for public affairs, including relations with government officials, the media, consumers, young people and teachers. It makes sure that banks are kept informed, and organises the activity of the FBF's regional committees.

> European and International Affairs

This department, based in Brussels, handles relations with EU institutions and the various bodies representing the banking and financial services industries in Europe. It monitors international issues and relations with global banking associations, and deals with issues that specifically concern foreign banks operating in France.

The FBF's members

_ The FBF represents French banks and foreign banks that have set up subsidiaries or branches in France, whether they are from Europe or elsewhere.

_ Credit institutions that are authorised to operate as banks in France and branches of credit institutions based in the European Economic Area are fully entitled to become members of the FBF, which is their professional body(1). Other ipso facto members include the central bodies of cooperative and mutual banking groups and the AFB.

430 BANKS

A total of 430 banks belong to the FBF, including universal banks, online banks, investment banks, private banks, local banks, etc. The list of FBF members is available at: www.fbf.fr / La Fédération Bancaire Française/ adhérents FBF

(1) The French Monetary and Financial Code stipulates that all credit institutions must belong to either a "professional body" or a "central body". These bodies are affiliated with the AFECEI, which represents credit institutions and investment firms with the government.

> The FBF's statutory bodies

(as at 31 December 2009)

The FBF Executive Committee

The founding members of the FBF are ex-officio members of the Executive Committee. They are represented by an individual who must be either the Chairman or the Chief Executive Officer. Each year, the Executive Committee appoints one of its members to act as the FBF's Chairman.



BAUDOIN PROT
 FBF Chairman
 Director and Chief Executive, BNP Paribas



FRANÇOIS PÉROL
 FBF Vice-Chairman
 Chairman, Groupe BPCE



FRÉDÉRIC OUDÉA
 FBF Treasurer
 Chairman and Chief Executive, Société Générale



PIERRE MARIANI
 AFB Vice-Chairman
 Chairman and Chief Executive of the Management Board of Dexia S.A.



GEORGES PAUGET
 Chief Executive Officer,
 Crédit Agricole S.A.



ÉTIENNE PFLIMLIN
 Chairman,
 Confédération nationale du Crédit Mutuel



ARIANE OBOLENSKY
 FBF Chief Executive

Commissions and committees

The Executive Committee has formed three commissions and five committees, and appoints their chairmen. Their role is to review various technical issues that affect the banking industry and make proposals. When these proposals concern the banking industry as a whole, they are submitted to the Executive Committee for review.



Retail Banking and Direct Banking Commission
 Chairman:
GEORGES PAUGET
 Chief Executive Officer,
 Crédit Agricole S.A.



Risk Control and Prudential Banking Commission
 Chairman:
PHILIPPE DUPONT
 Chairman of the Supervisory Board, Groupe BPCE



Investment Banking and Capital Markets Commission
 Chairman:
MICHEL PÉBEREAU
 Chairman, BNP Paribas



Accounting Committee
 Chairman:
GÉRARD GIL
 Chief Accounting Officer,
 BNP Paribas



Tax Committee
 Chairman:
PATRICK SUET
 Corporate Secretary,
 Société Générale



Legal Committee
 Chairman:
JEAN-LOUIS GUILLOT
 Head of Legal Affairs,
 BNP Paribas



Payment Management Committee
 Chairman:
JEAN CLAMONT
 Managing Director,
 BNP Paribas



Compliance Committee
 Chairman:
PATRICK WERNER
 Chairman,
 La Banque Postale

2001

THE FBF IS UP AND RUNNING

2002

THE FBF OPENS AN OFFICE IN BRUSSELS

2003

THE FBF LAUNCHES THE NEW VERSION OF ITS WEBSITE AT WWW.FBF.FR

2004

IN STRASBOURG, THE BANKING COMMITTEE LAUNCHES A PILOT PROGRAMME, "BANKING, MY BANK AND ME", IN PARTNERSHIP WITH THE SCHOOL AUTHORITY

> The FBF's information mission

Sharing the experiences of member banks in France

– The FBF organised 23 panel discussions with member banks in 2009. They dealt with issues including UCITS, the G20, the fight against money laundering, and accounting standards. These events allowed nearly 4,000 bankers to gain information on these topics, and to discuss them with specialists.

– Since its creation, the FBF has organised more than 200 such events, involving a total of nearly 40,000 bankers.

– The FBF also has an Extranet reserved for banks. Every month, bank employees consult an average of 120,000 pages.

More than 100 banking committees in the field

– The FBF has a network of 107 committees (21 regional and 86 departmental). In 2009, they worked actively on issues bearing on the financing of the economy (see page 24). To inform young people about jobs in banking, the committees also organised three job forums in Lille, Rennes and Nancy. A thousand students attended these events. Similarly, the committees took part in a number of events devoted to job openings for young people, organised by local authorities, universities and secondary schools.

– In conjunction with the “Keys to Banking” programme, the committees continued to partner players in the social economy, within the framework of social work programmes set up by local authorities. New partnership agreements were signed in 2009 with the Rhône and Haute-Loire départements. More initiatives of this nature will be taken in 2010 in Marseille and Loire-Atlantique.

– The “Banking, my Bank and Me” programme is being run in partnership with seven school authorities in France, in the form of sessions aimed at explaining how banks work. Relations with school authorities also include sessions aimed at teachers and younger secondary school students, giving them a general understanding of banks.

The Keys to Banking: growth of the FBF's information programme

– The FBF's “Keys to Banking” programme helps the general public, self-employed people and young adults gain a better understanding of banking and money. To reach people in need of assistance, it also targets people working in the social economy. The various target groups can access the programme on the www.lesclesdelabanque.com website. The site offers a collection of mini-guides covering various topics.

– There are now more than 30 of these mini-guides. The latest guides cover interest-free loans and the purchase of bonds. There are also special issues devoted to payment services and the fight against money laundering.



www.lesclesdelabanque.com

The [lesclesdelabanque.com](http://www.lesclesdelabanque.com) website received nearly 1.5 million hits in 2009 (+29% year-on-year). In 2009, three new dedicated spaces were opened. It is now a portal giving access to four websites: individuals, professionals, young adults and people working in the social economy.



NEWS ON THE BANKING SECTOR:
[fbf.fr](http://www.fbf.fr)

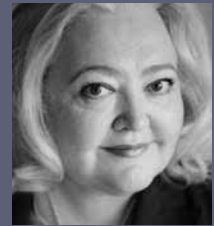
With an RSS feed, a monthly newsletter and alerts when news releases are issued, the [fbf.fr](http://www.fbf.fr) website sets out the positions of the FBF and explains the issues currently facing the banking sector. More than 9,000 people have signed up to receive news alerts on the www.fbf.fr website.

> Organisational chart (as at 31 December 2009)

AFB

JEAN-CLAUDE GUÉRY
Social Affairs

OLIVIER ROBERT DE MASSY
Professional Training Delegation



Ariane Obolensky
CHIEF EXECUTIVE



PHILIPPE GENDILLOU
General Secretary

MICHEL BONNET
General Services
and Logistics

SOPHIE DENHAENE
Finance

FRÉDÉRIC GUINET
IT Management

Human Resources
and Internal Communications



PIERRE DE LAUZUN
Director General Delegate

BERNARD DUTREUIL
Payment Systems and Instruments

PIERRE BOCQUET
Retail Banking
and Direct Banking

JEAN TRICOU
Investment Banking
and Capital Markets

JEAN-PAUL CAUDAL
Banking and Accounting
Supervision

PIERRE REYNIER
Taxation

ANNIE BAC
Legal Affairs and Compliance

AFB
10
ANS

➤ **GÉRARD GIREL**
Security Adviser



▼
VALÉRIE OHANNESSIAN
Deputy Director General

—
PHILIPPE CAPLET
Banking Information Centre
The Keys to Banking

COLETTE COVA
Information, Press, Communication

—
SÉVERINE DE COMPREIGNAC
ESTELLE TOULLEC-MARQUOT
Political and Parliamentary Relations



▼
JEAN-FRANÇOIS PONS
Executive Director,
European and International Affairs

—
PASCALLE BRIEN
European Relations
in Brussels

HUBERT D'ÉTIGNY
European Relations in Paris

—
ESTELLE BRACK
International Relations

—
ÉDITH CHOMENTOWSKI
Export Finance

THE MEN AND WOMEN OF THE FBF AND THE AFB

FLORENCE AMBLARD
SYLVIE AUGROS
SYLVIE AURÉ
FRANÇOISE AURÉJAC
OLIVIER BALMONT
MARIE-AUDE BARDOU
PATRICIA BARRAUD
KATIA BARTEK
VÉRONIQUE BÉAL
SYLVETTE BELTRAME
KENZA BENQEDDI
SOPHIE BERTOMEU
LAURENT BERTONNAUD
LAURENT BERTOU
LAURÈNE BETITO
GILLES BEXON
ÉLISE BINET
JEAN-MARC BING
XAVIER BLEUSE
FABRICE BORONAT
MARIE-CLAUDE BOURCIER
CÉDRIC CEFBER
RENÉ CHALIER
HENRY CHEYNEL
ÉMILIE CHOMEL
CORINNE COTTIN
SARAH COURDAVAULT
ÉLISABETH DA CUNHA
ÉLISABETH DANTON-PETIT
CAROLE DE GAULLE
ANTOINE DEHELLY
PATRICIA DESUERT
MICHELYNE DIDIN
MARIE-CLAUDE DOLOIR
CÉLINE DUBLANCHE
FRÉDÉRIC DUCAMP
BÉATRICE DURAND
MARIE-FRANÇOISE ESTEVA
NICOLE FLAH
FABIENNE FONTAINE
CATHERINE GAILLON
RAPHAËL GARCIA
ANTOINE GARNIER
MARTINE GAUTHIER
BRIGITTE GAYRAL
BARBARA GICQUEL
MARIE GILLOUARD

CHRISTIANE GIRARDEY
BENOÎT GOURISSE
FRANCIS GRAVET
GÉRALDINE GUILLAUMOT
MARINE GUYON-GODET
MARIE-FRANCE GUZNICZAK
JACQUES HARASSE
VÉDI HEKIMYAN
VALÉRIE HOREL
CÉLINE HOUEHUNPE
MICHEL HOURLIER
ISABELLE HUARD
MÉLANIE HULIN
DONNA-LEE HUTCHINSON
JEAN-FRANÇOIS JONDEAU
LÉNAÏG KERJEAN
DELPHINE LACONDE
FLORENCE LE TEXIER
CHRISTINE LEDUC
GENEVIÈVE LHOMME
OLIVIER LHOMME
JEAN-SÉBASTIEN LOISEL
CAMILLE LY
LÉONIE MAGDELEINE
ANNE MARAIS
AUDE MESNARD
MIGUEL MONTEIRO
KOSSIA LÉA N'GUESSAN
SANDRINE NICOLAS
FRANÇOISE NOURRISET
JOCELYNE PÉBREUIL
BERNARD PIERRE
LINDY POLLET-LHOTE
JÉRÔME RAGUÉNÈS
HÉLÈNE RICAUD
DANIÈLE RINEAU
JULIEN RODRIGUES
MICHÈLE ROSSI
ANNA SAMOCKA
STÉPHANE SAUGÈRE
TANIA SAULNIER
PATRICK STOCKER
HUGUES STUPNICKI
MALIK TABI
OUMOU KHATOU M TOURÉ
ERWAN ULLOA
BRUNO VANDEWALLE
MARIO VAN DOORN
DAVID VERFAILLIE
JACQUES VESSAUD
MAXIME ZITOUNI
VÉRONIQUE ZOVARO

> The FBF's affiliated entities

The Comité Français d'Organisation et de Normalisation Bancaires (CFONB)

_ Created in 1930, the CFONB oversees the standardisation and organisation of banking activities in France. It is authorised to act as a standards bureau within AFNOR, the French standards association. Although its work mainly concerns payment systems and instruments, it also deals with securities.

The Revue Banque Group

_ The Revue Banque Group has four distinct activities: journals (Revue Banque, Banque Stratégie, Banque & Droit and Bankers Markets & Investors); organising seminars, including the "Club Banque", a series of monthly conferences, "Rencontres Banques & Droit" and "Rendez-vous de la Banque et de l'Assurance"; publishing, with a collection of about 200 publications targeting banking professionals, academics and students; and running the banking and finance bookshop, with 13,000 titles now available online at www.revuebanquelibrairie.com, as well as a service aimed at professionals and libraries.

OPCA-Banques

_ A joint fund-raising body of the member banks of the Association Française des Banques, OPCA-Banques has three main functions: collecting contributions to training funds; advising banks in the area of training; and allocating funding for bank training initiatives.

The Association Française des Banques (AFB)

_ The AFB is a founding member of the FBF. As such, it sits on the Executive Committee, where it represents all institutions authorised by the CECEI to operate as banks, especially small and medium-sized banks and foreign banks operating in France. The AFB is also the professional body of commercial banks with respect to the social aspects of the January 2000 collective bargaining agreement. Through OCTA-Banques, the AFB has collected the apprenticeship tax since 2006.

> The FBF banks in figures

- > 430 banks
- > Nearly 39,000 branches*
- > 400,000 employees, making the industry one of the biggest sources of private-sector jobs in France
- > More than 30,000 new hires per annum
- > 72 million current accounts
- > €2,017 billion in loans**
- > €1,515 billion in savings***
- > 16 billion payment transactions processed every year
- > 52,000 ATMs
- > Nearly 3% of French GDP over the last 10 years

* including La Banque Postale outlets. Source: CECEI

** as at end-September 2009 (loans to French residents by credit institutions operating in mainland France). Source: Banque de France

*** as at end-September 2009 (deposits by French residents with credit institutions operating in mainland France). Source: Banque de France

2005

"MARKET ACTIVITIES IN PARIS, WHAT DOES THE INDUSTRY REALLY WANT?": THE THEME OF A CONFERENCE ORGANISED BY THE FBF AND THE AMAFI

2008

THE FBF OPENS A NEW EXTRANET SITE FOR MEMBERS

2009

THE FBF OPENS A NEW WEBSITE DEDICATED TO SELF-EMPLOYED PEOPLE, VIA THE LESCLESDELABANQUE.COM PORTAL

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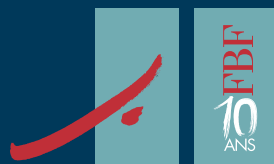
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FRANCAISE