

Utilité

Usefulness
The banking industry
2023

INFLUENCE

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USEFULNESS



Maya Atig
Chief Executive Officer
of the FBF

Nicolas Namias
Chairman of the FBF

Banks play a vital role in financing the economy, meeting their customers' day-to-day needs and supporting them through transitions and times of crisis.

Usefulness

French people clearly recognise banks for their strategic role in the economy, undoubtedly thanks to the three ways they are useful to their individual, professional and corporate customers.

Firstly, through their primary mission to provide financing and offer solutions tailored to the needs of each individual. Secondly, by protecting their customers in times of tension or crisis, such as in recent months when interest rates rose sharply, and the fixed-rate lending model helped preserve purchasing power. Finally, by offering support tailored to today's key challenges related to societal, technological and environmental transitions – areas in which banks are particularly active – tripling outstanding green and sustainable loans in two years and creating solutions to complement the government's energy renovation mechanisms.

Proximity

Another key feature of our model is proximity. One in three European bank branches is located in France – proof of our ability to support customers locally, where they are, while continuing to innovate in remote banking channels, to meet their face-to-face and digital needs.

More broadly, proximity means providing solutions that are both financially appropriate and socially beneficial. We are achieving this with financial and budgeting education initiatives and banking solutions for the most vulnerable sectors of society. Through partnerships with non-profit organisations, we contribute to better banking inclusion for people who have difficulty entering the workforce.

Ensuring long-term proximity requires an effective training policy for the industry's 350,000 employees. These training courses are designed to prepare individuals for new professions and help them adapt to an ever-changing environment, so that we can continue to effectively fulfil our advisory role.

Strength

French banks once again demonstrated their financial strength in 2023 amid the turmoil caused by the bankruptcies of three US regional banks and the bailout of Credit Suisse. Capital and liquidity ratios are the most obvious evidence of this strength, while banks also invest heavily to optimise security, which is crucial when it comes to maintaining our customers' trust.

As such, it is vital for banks to be able to keep investing in technology so that customers' funds and data remain safe and secure. We will therefore be paying close attention to this year's regulatory agenda to ensure that banks can continue to innovate and effectively finance the economy. Key milestones this year include the enactment of the Basel Accord in the EU, Crisis Management and Deposit Insurance reform, the EU proposals on data access currently under discussion and the ECB's digital euro project. As elections at key European institutions are slated for 2024, these challenges are all the more important.

With its model based on usefulness, proximity and strength, the banking industry is determined to keep earning the complete trust of the French people by continuing its efforts to finance the economy and all its stakeholders.

data rama

Over 99%

of French people have a bank account
compared with 95% in the eurozone

Cour des comptes, 2021

+10.3%

Contactless CB payments
in physical points of sale

GIE CB, Q1 2023

94%

of French people
use their bank's
website or app

FBF IFOP survey, February 2024



89%

of French people
have a good image
of their bank

FBF IFOP survey, February 2024



1 in 3 branches

in the eurozone
is in France

ECB/Eurostat, 2022

5

French banks
among the 10 largest
in the eurozone

S&P Global, 2023



**More than
73,000**

cash points

Banque de France, in mainland France,
December 2022



48,900

new hires in 2022

FBF scope

349,100

employees
representing 20% of the
eurozone banking sector

FBF scope, 2022



326

banks

ACPR, January 2024

4

French banks in
the world's top 15 for
green and sustainable
bond issues

Bloomberg, 2022



2,2%

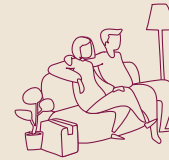
the banking sector's
contribution to total
value added in France

Insee 2022, FBF calculations

€1,292bn

in outstanding
home loans

Banque de France,
December 2023



€3,081bn

in loans to the economy

Banque de France, December 2023

More than
€50bn

in outstanding
loans for
renewable energies

FBF, 2022

€216bn

in green or sustainable loans

FBF, 2022



€1,350bn

in loans to businesses

Banque de France, December 2023

JANUARY

5 January

FBF response to the European Commission on instant payments in euros.

25 January

2023 extension of the market agreement on the restructuring of state-backed loans (SBL).

26 January

A decree introduces monthly calculation of the maximum legal interest rate as of 1 February.

FEBRUARY

1 February

Entry into force of automatic refunds of incident costs in the event of duplicate direct debit rejections.

6 February

FBF-IFOP study "The French, their banking, their expectations".

14 February

35th edition of the Household Credit Observatory.

14 February

FORIF study on banking inclusion of Muslim religious associations.

MARCH

9 March

The "DADDUE" law enacts six European directives into French law and implements six European regulations.

20 March

8th edition of "Invite a banker to class" and results of the FBF-Harris Interactive study on children's financial education.

27 March

FBF response to the European Commission on VAT in the digital age.

31 March

AFB branch agreement on increases to minimum wages.

APRIL

20 April

FBF's national campaign against banking data fraud.

20 April

FBF-IFOP study on banking data security.

28 April

FBF memo "Financial vulnerability: banks are key players in inclusion".

high lights 2023

MAY

16 May

Recommendations of the *Observatoire de la sécurité des moyens de paiement* (OSMP) on the terms of reimbursement of fraudulent payment transactions.

JUNE

1 June

FBF response on the draft global management framework and publication of nature-related risks, dependencies and related impacts.

5 June

Joint press release from the Paris financial centre on the European Commission's Retail Investment Strategy.

20 June

Cyber crisis management exercise for the Paris financial centre.

JULY

7 July

FBF response to the European Commission on European Sustainability Reporting Standards (ESRS).

11 July

Report of the *Observatoire de la sécurité des moyens de paiement* (OSMP): reducing payment fraud.

11 July

Employment in banks: nearly 50,000 hires in 2022.

24 July

Banque de France report on public access to cash.

AUGUST

28 August

FBF response to the European Commission on the Retail Investment Strategy.

30 August

FBF response to the European Commission on the reform of the Crisis Management and Deposit Insurance (CMDI) framework.

SEPTEMBER

1 September

Nicolas Namias succeeds Philippe Brassac as Chairman of the FBF.

8 September

FBF response to the European Commission on the digital euro.

12 September

The Occitanie FBF Committee launches a campaign to attract people to banking professions: "I'm a banker. Come and join us".

22 September

FBF response to the Financial Stability Board (FSB) consultation on the impact of regulatory reforms on securitisation.

26 September

FBF/ASF/IFOP study on the financing of energy renovation work.

OCTOBER

1 October

The maximum amount that can be held in a *Livret d'Épargne Populaire* (LEP) is increased from €7,700 to €10,000.

1 October

The FBF participates in European Cybersecurity Month and relaunches its fraud prevention campaign.

2 October

FBF-Harris Interactive Study on French people and cybersecurity.

4 October

Report of the *Observatoire du financement des entreprises* (OFE) on VSE access to cash loans and publication of an educational sheet.

11 October

FBF response to the EBA's consultation on the climate risk analysis exercise (*Fit-for-55*).

12 October

2023 report of the *Observatoire des tarifs bancaires* (OTB): bank fees have moderated and fees for the Vulnerable Customer Offer have dropped sharply.

23 October

The "Green Industry" Law creates a Future Climate Savings Plan (*Plan d'épargne avenir climat*).

26 October

FBF responses to the European Commission's proposals on payment services (PSD3).

30 October

The new directive on consumer credit is published in the EU Official Journal.

NOVEMBER

8 November

FBF/AFB/each One/Apels event on integration into banking for people excluded from employment.

29 November

FBF communication on financing the ecological transition by French banks.

30 November to 12 December

The FBF participates in COP28 in Dubai.

30 November

CRESUS/FBF discussion morning on financial education.

DECEMBER

6 December

Publication of the order enacting the Corporate Sustainability Reporting Directive (CSRD) into French law.

8 December

The *Comité national des moyens de paiement* welcomes the commitment of French players to strengthening the European payments market.

18 December

The *Haut conseil de stabilité financière* (HCSF) adjusts its decision on granting home loans.

22 December

Publication of the Data Act in the EU Official Journal.



FF

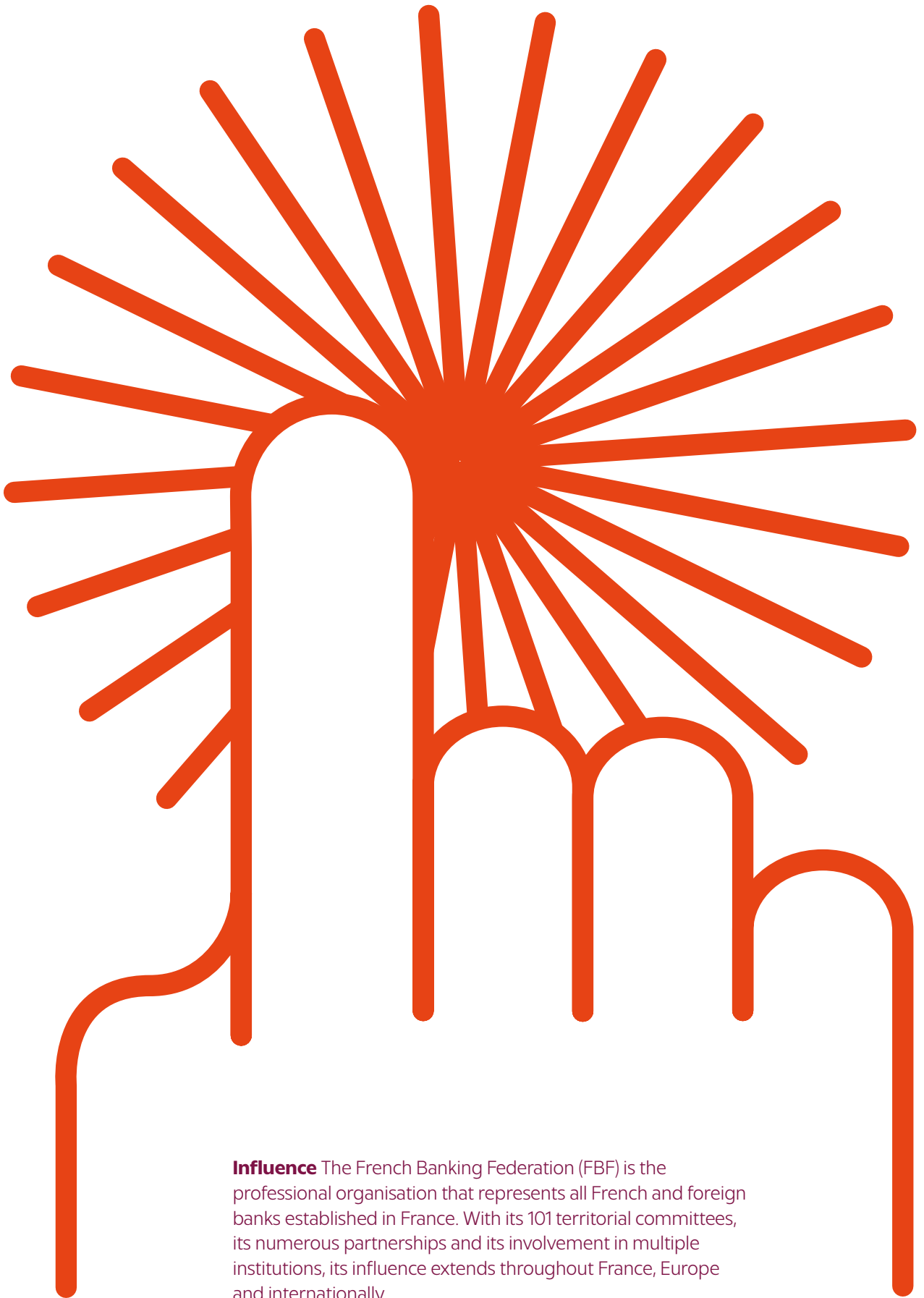
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Influence The French Banking Federation (FBF) is the professional organisation that represents all French and foreign banks established in France. With its 101 territorial committees, its numerous partnerships and its involvement in multiple institutions, its influence extends throughout France, Europe and internationally.

French Banking Federation



1,500

bankers in territorial committees

326 member banking institutions

The purpose of the French Banking Federation is to promote banking and financial activity in France, Europe and internationally. It defines the profession's positions and proposals vis-à-vis the public authorities and economic and financial authorities. It includes **326 banking institutions, including 116 foreign banks** ⁽¹⁾. Regardless of their size and legal status, credit institutions authorised as banks and branches of credit institutions in the European Economic Area are automatically members, if they so wish, of the FBF, which then acts as their professional body. The central institutions of cooperative or mutual bank groups and the AFB are also automatically members ⁽²⁾.

Around a hundred employees

135 permanent employees work at the FBF and the AFB ⁽³⁾ in conjunction with more than 400 bankers on commissions and committees. These bodies meet regularly to draw up positions and launch initiatives. Decisions are based on the preparatory work of FBF experts, technical committees and 80 ad hoc working groups. **Discussions with members are therefore at the heart of the Federation's work.**

Influence in France and internationally

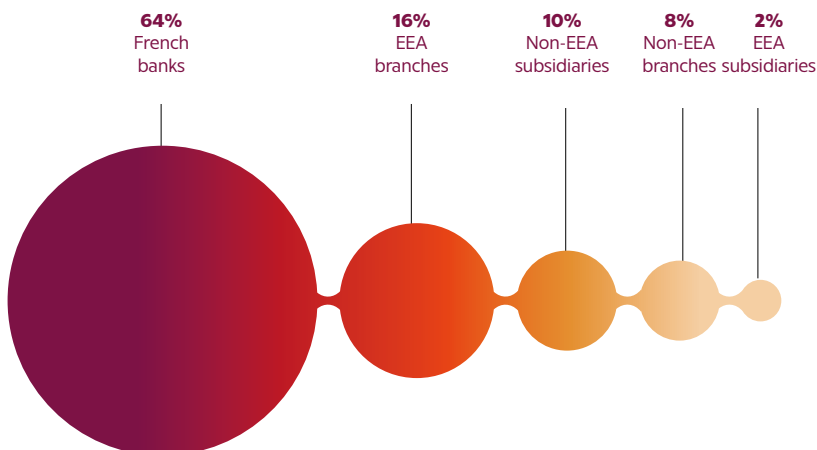
Based in Paris, the FBF also has an office in Brussels. It is a member of the European Banking Federation (EBF) and represents the banking industry in many national, European and international organisations, including the IIF and IBFed (see page 13).

The FBF is also present throughout France through **a network of 101 regional and departmental committees**. This network mobilises more than 1,500 bankers who are in regular dialogue with local business representatives and public authorities, and relay the industry's positions.

(1) As of 1 January 2024.

(2) The French Banking Association (AFB) sits on the FBF's Executive Committee. It is the professional body of commercial banks in the social field (collective agreement of the bank).

(3) Including 36 employees in the FBF Ombudsman service.



326 banking institutions are members of the FBF

Executive Committee



Nicolas Namias
Chairman of the FBF
Chairman of the
Management Board
of Groupe BPCE



Slawomir Krupa
Vice-Chairman
of the FBF
Chief Executive Officer
of Société Générale



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



**Jean-Laurent
Bonnafé**
Director and CEO
of BNP Paribas



Philippe Brassac
Chief Executive Officer
of Crédit Agricole S.A.



Stéphane Dedeyan
Vice-President of AFB
Chairman of the
Management Board
of La Banque Postale



Maya Atig
Chief Executive Officer of the FBF

Eric Voulleminot
Security Advisor

General Management Board



Etienne Barel
Deputy CEO
Banking and accounting
supervision
European and international
institutional relations
Investment Banking
and markets
Sustainable finance
Taxation



Solenne Lepage*
Deputy Director General
Digital, payments and
operational resilience
Legal and Compliance
Retail and remote banking



Ermelina Debacq
Deputy Director General
Communication
Institutional relations France
General secretariat



André-Guy Turoche
Director of Social Affairs
Social relations
Observatory and studies

Commissions and committees

Forward-looking Commission
Climate and Biodiversity Commission
Control and Prudential Supervision
Commission
Investment Banking and Markets
Commission
Retail and Remote Banking Commission

Accounting Committee
Compliance and Conduct Committee
Legal Committee
Major Risk and Security Committee
Means of Payment Steering Committee
Tax Committee

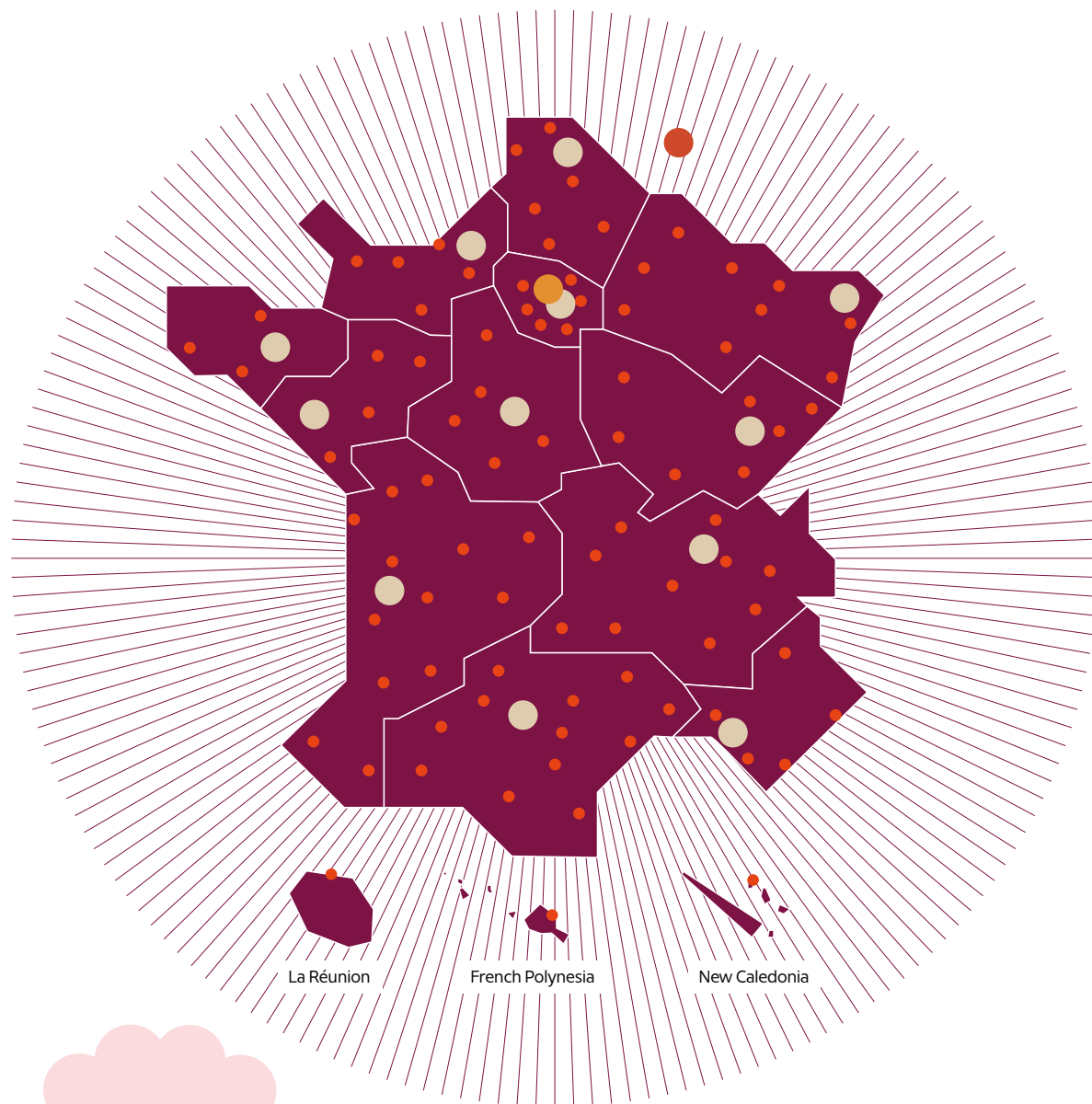
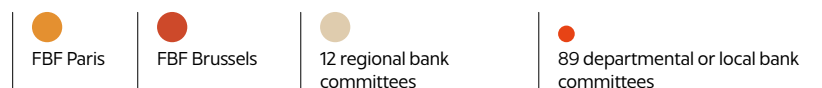
Sherpas

The Commissions are chaired by a
member of the Executive Committee.

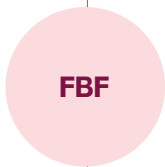
The sherpas, upstream of the Executive Committee,
feed into the discussions and examine the issues and
proposals, with the FBF General Management Board.

*Solenne Lepage, until 12 January 2024

The FBF's presence



101
territorial committees



The FBF represents the banking industry in several public institutions and many national, European and international organisations. It has many partners.

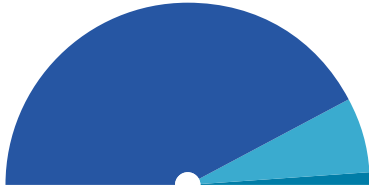
FINANCING



Financing Against a backdrop of inflation and tightening monetary policies, French banks are continuing to prioritise financing the economy. They are firmly committed to the fight against climate change and provide huge amounts of financing for the ecological transition.

Committed to financing the economy

€1,527bn in outstanding loans to individuals in France



- 1,292 Housing
- 206 Consumption
- 29 Other

(Source: Banque de France, December 2023)



43.4%

of households had at least a loan in 2022: this rate, which is the lowest in 30 years, reflects the impact of the economic situation on households.

(Source: OCM, February 2023)

Household credit is higher than in the eurozone

The French fixed-rate loan model, which provides long-term protection for household budgets, allows customers of French banks to benefit from more advantageous lending conditions. As such, the rise in loan rates has no impact on existing loans. In 2023, banks granted **€220bn in new loans to individuals**. This is a stronger trend (1.2% increase in outstanding loans) than in the eurozone (+0.1%), and this financing serves the French population's needs for their housing and consumer projects.

Amid the rapid but orderly rise in home loan rates (3.60% on average in December vs. 3.97% in the eurozone) and a sharp drop in demand, French banks continue to **responsibly finance household real estate** projects: growth in outstanding home loans in France slows but remains higher (+0.9%) than the eurozone, which is just barely positive (+0.2%).

(Sources: Banque de France/ECB, December 2023)

Measures to promote access to credit

The banking industry is in favour of measures that facilitate the financing of real estate projects and sends proposals on housing to the public authorities to meet the French population's high expectations.

In 2023, it hailed the implementation of the **monthly calculation of maximum legal interest rates**, which enables better responsiveness to changes in market rates and thus avoids excluding households with creditworthy projects. **The extension of the interest-free loan** announced in October is a positive step for first-time home buyers in expensive areas.

On 4 December 2023, the **HCSF amended its decision on the granting of home loans**. The banking industry took note of the technical adjustments and pointed out that the drop in loans was mainly linked to lower demand and high property prices.

The Directive of 18 October 2023 on credit agreements for consumers must be enacted into national law by November 2025. It is being extended to loans of less than €200 and split payments.

Only 3.9% of households intend to take out a home loan in the next 6 months, the lowest rate in 25 years, reflecting consumer sentiment about their financial situation.

(Source: OCM, February 2023)



Continued growth in corporate credit

Despite the increase in loan interest rates due to monetary policy, **corporate access to credit remains high in France**: 96% of SMEs that applied for an investment loan and 86% that applied for a short-term credit facility were approved.

(Source: Banque de France, Q4 2023)

Interest rates on loans to businesses remain lower in France (4.24% for SMEs in December 2023) than the eurozone average (5.47%). Against this backdrop, **outstanding bank loans to businesses rose by 2.0% year-on-year** (versus -0.2% in the eurozone). Outstanding loans totalled €1,350bn, driven by the investment component (mainly equipment loans, which rose 5.0% to €600bn), while the rate of change in cash loans is negative due to continuing repayments, including on state-backed loans (-6.3%, €319bn).

(Sources: Banque de France/ECB, December 2023)

Banking networks are an asset for VSEs in times of crisis

Amid the current macroeconomic uncertainty, banks are fully mobilised to support their corporate clients and seek appropriate financing solutions with them.

- The report by the *Observatoire du financement des entreprises* (OFE), published in May 2023, highlights, against the backdrop of a resilient and robust entrepreneurial fabric, **good access to credit for companies** and the increased challenges of anticipating, adapting and supporting companies when it comes to financing.
- The report on VSEs' access to short-term credit facilities notes that, despite the repeated economic shocks since 2020, VSEs' economic and financial situation and access to financing remain favourable. The OFE highlights **the benefits of local banking networks in supporting VSEs**, particularly in the event of difficulties.

More than 50% of state-backed loans repaid

Repayment of the 800,000 state-backed loans (SBL) granted, for a total amount of more than €144bn, is progressing at a steady pace: as of the end of October 2023, VSEs/SMEs and ISEs had repaid 53% of their state-backed loans, while large corporations had repaid 89%. The default rate remains under 3%, in line with government forecasts. There are solutions if borrowers are experiencing challenges, particularly under **the market agreement on the restructuring of state-backed loans** under the aegis of the Business Credit Ombudsman, which was extended until 2026.

The distribution of the "Résilience" state-backed loan, intended for companies affected by the war in Ukraine, finished at the end of 2023.



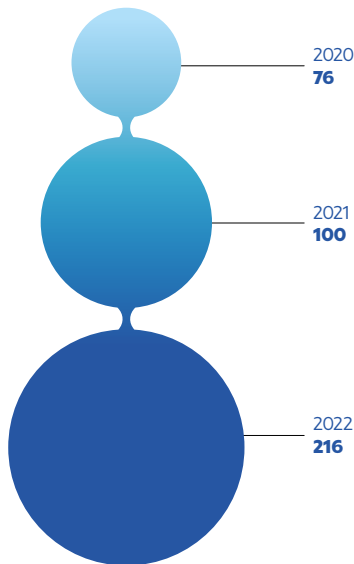
Further reading at
lesclesdelabanque.com/entreprise

"VSEs – Preparing your short-term credit facility application": OFE fact sheet (October 2023)

Committed to the ecological transition

Change in green and sustainable outstanding loans (in €bn)

(Source: FBF)



French banks are leaders in green and sustainable finance

Faced with the climate emergency, French banks are firmly committed to financing the transition of all economic sectors. They are rolling out financial solutions to support all types of projects.

- Outstanding **green and sustainable loans totalled €216bn** at the end of 2022, triple 2020's amount.
- They are among the world leaders in **renewable energy financing with €50bn** in outstanding loans (+22% in one year). The global renewable energy project financing top 10 includes four French banks.
- Committed to the Net-Zero Banking Alliance (NZBA), French banks are implementing some of the most ambitious **decarbonisation paths** in the world for the sectors that emit the most greenhouse gases, including oil and gas, thermal coal and electricity generation.
- They have been pioneers in **the exit from fossil fuels**, which now account for an extremely small portion of their balance sheets, at 0.02% for thermal coal and less than 1% for hydrocarbons. In 2022, no French bank was in the world's top 10 for hydrocarbon financing.
- They are fulfilling their industry commitment, the only one in the world since 2021, on **unconventional hydrocarbons**.

Saving for the transition

In 2022, outstanding construction and renovation loans for the residential real estate energy transition reached **€228bn, 10 times the share of regulated savings that banks are required to allocate to the transition** (€20.7bn).

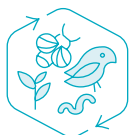
(Source: Banque de France, 2023 report on regulated savings).

The banking industry contributes to market analysis to promote financial savings as a source of financing for the transition and to create new products, such as the Climate Future Savings Plan (*Plan d'épargne avenir climat*, PEAC), designed to attract financial savings from under-21s to finance the transition.

45% of owners have carried out energy renovation projects since January 2019 and **32%** have stated that they wish to do so. For **79%** of owners, the main obstacle is getting help or finding a competent and available contractor. **42%** of owners who completed projects received public aid, while **39%** used credit.

Consult IFOP's September 2023 study at [fbf.fr](https://www.fbf.fr)

In December 2023, at the 28th annual conference of the United Nations on climate change (COP 28), 197 states in Dubai agreed to transition away from fossil fuels.



Biodiversity

The banking industry contributes to the market's work that aims to preserve and restore biodiversity and natural resources, in accordance with the Kunming-Montréal agreement. Specifically, banks are participating in the implementation of a global framework to measure and manage risks, dependencies and impacts related to nature through the Task Force on Nature-related Financial Disclosures (TNFD).



Further reading at fbf.fr

["French banks, leaders in the ecological transition", November 2023](#)

New sustainability reporting

The new transparency requirements are intended to drive the transition of companies and banks.

- **From 2025, the Corporate Sustainability Reporting Directive (CSRD)** will require large European companies to publish information on their impacts, risks and opportunities related to sustainability issues.
- The content of corporate sustainability reports is defined by European (**European Sustainability Reporting Standards – ESRS**) or international standards (ISSB standards).
- Since January 2023, the **Taxonomy Regulation** has required European companies (starting in January 2024 for banks) to disclose the portion of their economic activities that are considered "sustainable", first from the point of view of the climate issue. A June 2023 delegated regulation extends this taxonomy to other environmental objectives beyond the climate, including biodiversity, water, pollution and the circular economy.
- Since 2023, under Pillar 3 ESG, European banks have been subject to new transparency obligations regarding **climate risks in their financing portfolios**.
- In conjunction with the banking profession, the Banque de France is developing a **rating for companies** based on their consideration of climate change-related issues.

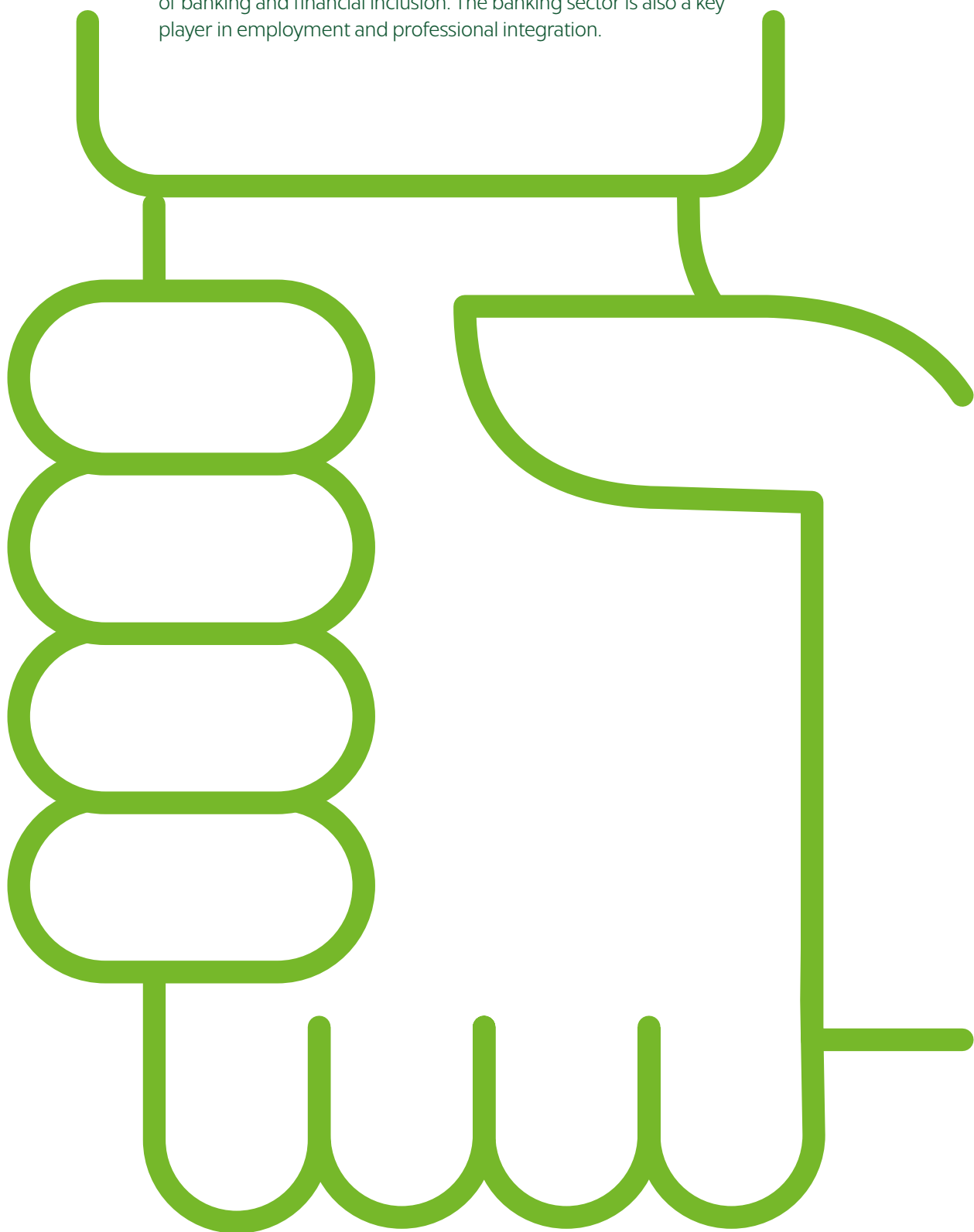
Stricter rules on sustainable finance

The strengthening of European sustainable finance regulations should accelerate Europe's economic transition to Net Zero by 2050.

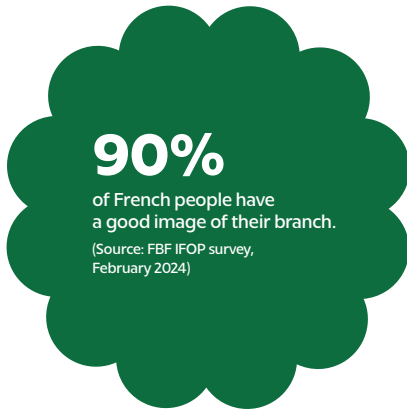
- A **European Green Bond Standard (EU GBS)** was finalised in November 2023.
- The legislation on the **European Single Access Point (ESAP)**, adopted in November 2023, provides for the establishment of a platform by 2027 that will centralise all financial and non-financial company data.
- The **Corporate Sustainability Due Diligence Directive (CS3D)** which was the subject of an agreement in December 2023, establishes a duty of care for large companies in order to identify and limit their negative social and environmental impacts.

**FINC
LWS
FOR**

Inclusion The French relationship banking model is extremely useful in meeting the needs of customers, and effective in terms of banking and financial inclusion. The banking sector is also a key player in employment and professional integration.



The advantages of an inclusive banking model



A trusted relationship model

Banks in France stand out for their local relationship model, which enables them to support their customers in their day-to-day financial needs, the different stages of their projects and any challenges that may arise. The effectiveness of this model is recognised throughout the country by French people, for whom the **proximity of banks is a key factor in their satisfaction**: 90% of French people have a good image of their branch, 89% have a good image of their bank, and 88% of their advisor. In addition, for 88% of French people, banks are part of their daily lives.

(Source: FBF IFOP survey, 2024)

This close relationship is strengthened thanks to a range of contact methods (branches, website, telephone, apps) and **one of the densest banking branch networks in Europe**: there are 6 branches per 100 km², and one in three branches in the eurozone is in France.

(Sources: ECB/Eurostat, 2022)

This regional presence enables banks throughout France to keep **cash highly accessible, with more than 73,000 cash points** (ATMs and private cash points). Although the use of cash is declining, banks are vigilant to ensure that all French people have easy access to it: more than 99% of the population lives less than 10 minutes from a cash point.

(Source: Banque de France, July 2023)



Further reading at fbf.fr

[FBF memo "Financial vulnerability: banks are key players in inclusion"](#)

Reasonable fees, enhanced transparency

In a high-inflation environment, banks' commitment and the appropriate measures implemented have helped to **improve banking and financial inclusion**. At the end of 2022, 89% of customers identified as financially vulnerable by banks were financially vulnerable under preventive criteria and more than 828,000 people subscribed to the Vulnerable Customers Offering (OCF), an increase of 20% year-on-year.

(Source: OIB, 2023 Report)

In addition to the fixed-rate loan model, banks also play a role as inflation shock absorber thanks to their reasonable fees on the main banking products and services (the most common fees were down or stable in 2023) and **the sharp drop in OCF fees (-10%)**.

(Source: OTB, 2023 Annual Report)

Transparent fees and easily digestible documents and descriptions promote access to products and services. This transparency was extended to the costs of retirement savings plans and life insurance by the order of 4 April 2023, which ratified the February 2022 market agreement.

4.1 million customers identified as financially vulnerable benefit from automatic capping of incident costs.

(Source: OIB, 2023 Report)

In 2023, the French banking industry committed to building a lasting trusted relationship between Muslim religious associations and banks as part of constructive dialogue between the French Treasury, the FBF and the *Forum de l'Islam de France* (FORIF).



Further reading at [fbf.fr](https://www.fbf.fr)

[Children and money: the 5th Harris Interactive study \(March 2023\) highlights changes in behaviour of children who are increasingly knowledgeable about banking concepts.](#)

Measures for household savings

The increase in interest rates on regulated savings accounts (Livret A, LDDS, LEP) in 2023 contributed to **the protection of the French population's purchasing power** in an inflationary environment and meets the expectations of a large majority of savers. This is unprecedented in Europe!

Banks support the measures relating to the *Livret d'épargne populaire* (LEP) (cap of 10,000 from 1 October 2023 and rate of 5% from 1 February 2024) which ensure a high rate of return on the savings of the lowest-income households.

In 2023, regulated household savings increased significantly, reaching €926bn, i.e. 15% of French people's financial assets.

(Source: Banque de France, Q3 2023)

Financial education for informed and responsible choices

Financial and budgetary education contributes to the effectiveness of the inclusive French banking model. Delivered from an early age, it is a vital component in making responsible financial choices and avoiding difficulties. In addition, the banking industry has been working for more than 20 years to offer **multiple free educational resources on [lesclesdelabanque.com](https://www.lesclesdelabanque.com)**, which is enhanced each year with new articles, mini-guides, videos, tutorials and infographics.

Since it was launched in 2015, 98,000 students have benefited from the "Invite a banker to class" programme.

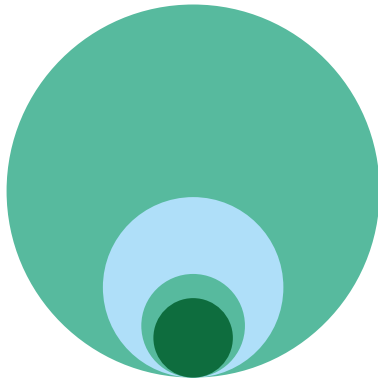
The "**Invite a banker to class**" campaign allows children aged 8-12 to acquire basic skills covering budgeting, means of payment, savings and security. Activities including board games, quizzes and digital posters are included in school curricula, validated by Eduscol (Ministry of National Education website) and benefit from the support of the National Education system and the Educ Fi label of the Banque de France. In 2023, 17,650 students took part in the workshops (+50%) throughout France. The banker invited to the class answers the students' questions and provides his or her expertise on the banking industry.

The banking industry works with associations that support financially vulnerable individuals. On 30 November 2023, **the FBF hosted the Crésus network** for a morning of discussions sponsored by the President of the Republic. This was an opportunity to discuss the past decade and this to come with different stakeholders, and put forward an ambitious vision of financial and budgetary education.

Employment in banks: dynamic and responsible

Breakdown of permanent new hires by area

Source: AFB



- **53.9%** Customer Relations*
- **13.4%** IT
- **8.1%** Compliance & Risk
- **6.2%** Back office

*Receptionist, customer advisor (individuals, professionals and businesses), wealth management advisor

2022, a record year

With 48,900 new hires in 2022, the French banking sector is set to post **a record year for recruitment, with an increase of 21%**. Overall, **349,100 people work in the banking sector in France**, accounting for nearly 1.7% of private-sector employment. The strength of the industry is also illustrated by turnover of 10.2%⁽¹⁾, which is much lower than the national average (22.6% according to INSEE).

Jobs are long-term, highly qualified, diversified and over half of banking sector employees are female.

- Over 73% of hires in 2022 were on permanent contracts (vs. 66% in 2021) and over 98% of industry jobs are on permanent contracts.
- Candidates with 4 or 5 years of higher education accounted for 57% of permanent new hires in 2022. 70% of the workforce were managerial grade in 2022, up 15 points since 2012.
- Advanced technology and business development roles are essential hiring areas. Business development roles accounted for 49% of the workforce in 2022.
- In 2022, women accounted for 57% of the bank's workforce (stable since 2012), 49.7% of managers (+5.1 points since 2012) and 59% of promotions.

A committed sector

The banking industry has **implemented an active policy to support young people**: the number of employees hired on work-study contracts has soared (14,500 new hires in 2022 vs. 13,300 in 2021). At the end of 2022, there were 18,400 work-study participants working at banks. Furthermore, employees under the age of 30 accounted for 47% of new hires and were focused on customer relations roles.

Banks' **policies on older workers** have helped to gradually increase the retirement age, which was 62.3 years in 2022 (+1.4 points in 8 years). The proportion of older employees in the workforce is higher than the national average, at 29.7% for employees aged 50+ (vs. 27.7% nationally) and 18.2% for employees aged 55+ (vs. 15.3%)⁽²⁾.

Each year, banks invest in employees' qualifications and professional development. They support their employees by **advocating for promoting professional training and internal development**. The banking sector dedicated 4.2% of its payroll to **employee training** in 2022, which was equivalent to €488 million and provided over 35 hours of training per year for employees in sales roles. Almost all employees benefited from at least one training programme during the year.

(1) Turnover of 10.2% excluding fixed-term contracts and 13.5% for permanent and fixed-term contracts (source: AFB).
(2) Source: DARES, 2020.



Further reading at [fbf.fr](https://www.fbf.fr)

[Employment in banks: dynamic and responsible](#)



AFB meetings to be watched on YouTube

[Change in working methods](#)

[\(July 2023\)](#)

[Employee retention in banks](#)

[\(November 2023\)](#)



71%

of youth and refugees trained in the fundamentals of the banking business were integrated into the workforce at the end of 2023.

(Source: Apels and each One programmes)

Actions to make banking professions more attractive

Raising awareness of the variety of banking sector professions and job opportunities is a key initiative. The FBF Committees are particularly active throughout France promoting the industry and attended **23 student fairs** from September 2023 to March 2024.

The Occitanie FBF Banking Committee launched a major banking industry campaign in September 2023. As a leading local employer, all the banks in the region decided to speak as one to promote the banking industry: throughout the country, they are rolling out consistent advertising in all bank branches and communications on traditional and social media. As part of this campaign, banking job offers for any institution in Occitanie are listed on the fbf-recrutement-occitanie.fr website.

Work conducted by the *Observatoire des métiers de la banque* is shaping analysis by the branch on changes to banking sector professions and the skills that banks need. In 2023, this work focused specifically on the **role of CSR as a driver of banking sector appeal** and a study was published in April 2023.

In addition to continuing its partnership with APEC to promote the employment of managerial grade employees in banking, the FBF entered into a partnership with **the Rectorat de l'académie d'Île-de-France**, in August 2023, to support the professional integration of students when they leave the education system, in an effort to make banking professions and training more attractive.

Mobilised for integration

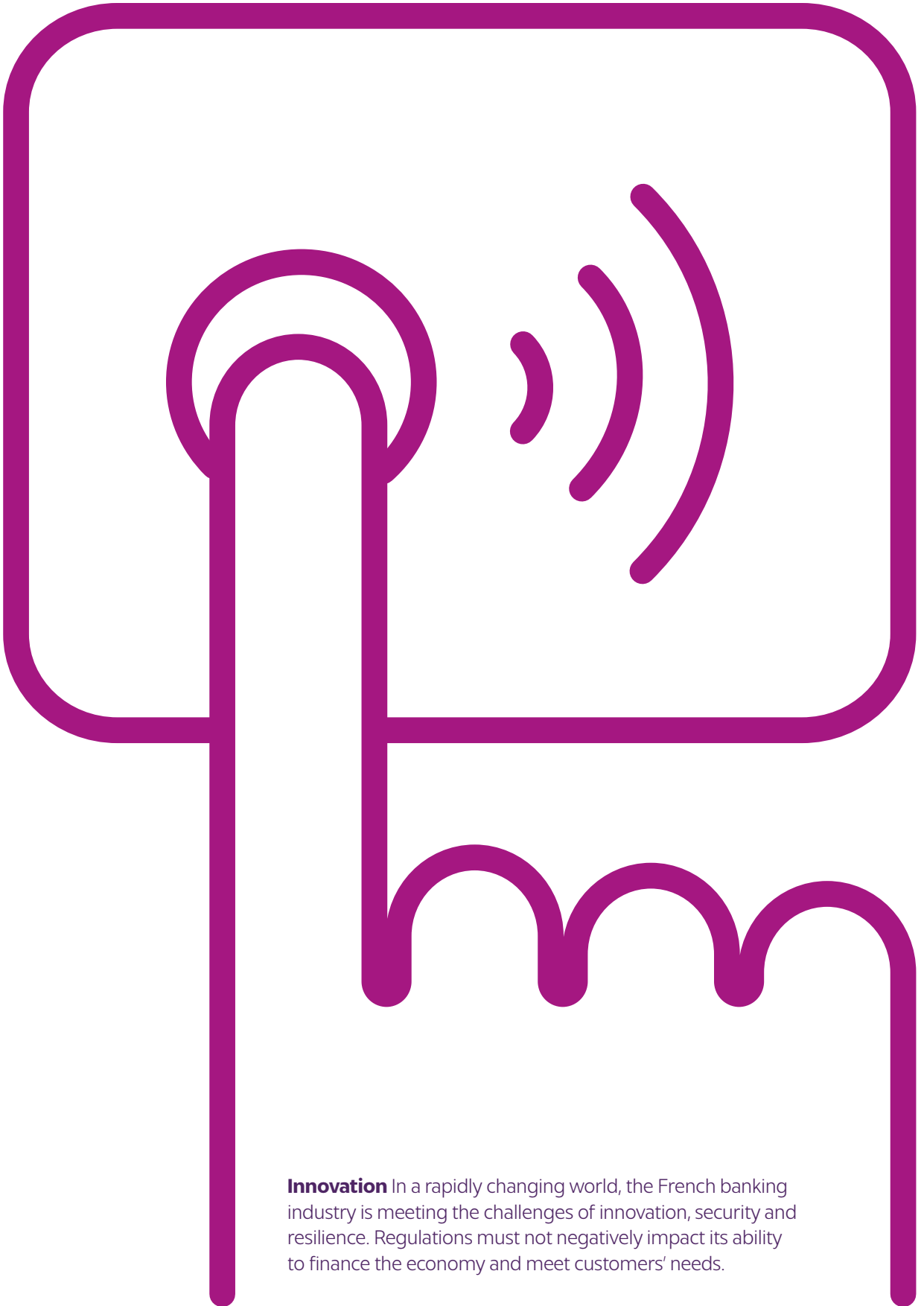
Partnerships between banks and the non-profit sector **advocate for the professional integration of people who have difficulty entering the workforce**. Initiatives with the *Agence pour l'Éducation par le Sport* (Apels) and the each One association are helping to increase the integration of young people from disadvantaged neighbourhoods or highly-skilled refugees. At the end of June 2023, 540 students were trained in the fundamentals of the banking business, and 71% of them were integrated into the workforce on permanent or fixed-term contracts.

On 8 November 2023 at the FBF, a ceremony to present certificates of professional training in the fundamentals of the banking business honoured 78 young people and refugees, the participating banks, and those working in these programmes: Apels, each One, ES Banque, AFB.

"Girls, Maths and Science: A dead end or a gamble"

Faced with worrying figures, the FBF joins forces with the Maths & Sciences Collective article, published in *Le Monde* on 10 September 2023, calling for rapid action by governments to increase the number of students and improve access to scientific training for all.

Enno
W
tion



Innovation In a rapidly changing world, the French banking industry is meeting the challenges of innovation, security and resilience. Regulations must not negatively impact its ability to finance the economy and meet customers' needs.

Developing the European banking sector



5

French banks
among the 10 largest in the eurozone.

(Source: S&P Global, 2023)

A resilient and strategic banking sector

While 2023 was characterised by turbulence linked to the bankruptcies of US regional banks and the bailout of Crédit Suisse, the French banking model confirmed its strength. **The diverse range of business lines grouped within the same institution** enables banks to offer a variety of services to meet the needs of all types of customers while benefiting from a variety of revenue streams, which provide stability and resilience.

In July 2023, the results of the EBA stress test, based on an extremely severe scenario, confirmed the resilience of the banking sector. In fact, French banks have high levels of solvency, reflecting their ability to absorb a financial shock and its economic fallout. **At 16.1%, the CET1 solvency ratio of banking groups in France is one of the highest in the eurozone.**

(Source: ECB, Q2 2023)

The need for a fair prudential framework

Banks' competitiveness is evidence of their strength. As such, the regulator must aim to strike a balance between financial stability and the ability to finance all of the economy's needs against a backdrop of increasing investment, particularly for the ecological transition.

The enactment of the Basel III agreement in the EU, via the "banking package", will be applicable from January 2025: according to the EBA, it is likely to lead to an average increase in core Tier One capital of 16.3% for European banks. These new requirements therefore constitute a competitiveness issue for the European banking sector compared to US banks, as the implementation of Basel III in the United States remains uncertain.

The Crisis Management and Deposit Insurance (CMDI) reform proposed by the European Commission on 18 April 2023 is another challenge. For the banking industry, it is vital that all banks, regardless of size, have a minimum capital floor to access the resolution mechanism.

To facilitate the flow of capital and liquidity within a true banking union, the EU needs to be recognised as a single prudential and regulatory jurisdiction.



The development of the European banking sector is a guarantee of the European Union's economic and industrial sovereignty.

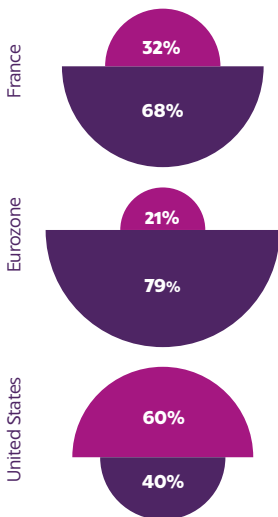
24% of households own shares, funds or bonds in Europe, compared to more than 50% of households in the US.

(Source: European Commission, Eurobarometer, July 2023)

Sources of business financing

(Source: Banque de France, Q3 2023)

- Market
- Credit



Promoting free competition between models

Increasing investment of European savings in financial products is a key factor in developing the capital market and financing the economy. In this respect, the EU must build on the strengths of the universal banking relationship model and ensure it continues to develop.

The proposed text on **the retail investment strategy**, published by the European Commission on 24 May 2023, is likely to destabilise this model and the pooling of funding for access to investment advice. It could therefore deprive people of modest means of access to support and advice services. This text must be adapted in order to **promote free competition between the various distribution models**, and to preserve savers' universal access to investment advice on financial products.

Facilitating the growth of capital markets

The growth of the capital markets is a strategic challenge to enable better allocation of abundant savings in Europe and to meet the massive financing needs of the ecological and digital transitions.

While bank lending remains the dominant financing method for businesses in the eurozone, **the transfer of loans** (i.e. the sale of loans granted by banks) to external investors would free up capital and restore space on bank balance sheets to grant even more loans to the economy. The banking industry wants this regulation and supervisors' involvement to be relaxed in order to promote the development of an efficient and safe market.

The amendment to the European Market Infrastructure Regulation provides for **the clearing of some euro-denominated derivatives to be relocated to the EU**. The banking industry's proposals aim to ensure that this objective does not undermine the competitiveness of European players and their ability to continue to offer their customers hedging services at the best price.

Data and payments: strategic innovation and security challenges

12.5%

the decline in retail customer deposits in the eurozone estimated by the ECB, due to the digital euro, in its report published in May 2022.

Fostering innovation by ensuring security

The European Commission adopted a legislative package on 28 June 2023 on the modernisation of payment services and the opening of financial services data. This package includes several initiatives:

- **an amendment to the Payment Services Directive (PSD3)**, and a regulation that requires reimbursement of cases of fraud involving identity theft. For the banking industry, this goes against the work initiated by all payment players in the French marketplace within the OSMP (see below);
- **a framework for access to financial data** in addition to the Data Act, which provides for the opening of all financial services data subject to agreement by the customer. Although the contractual approach is being adopted, mandatory membership of a scheme raises questions. The scope of financial services data is too broad and the security dimension is evaded.

Digital euro for retail payments: guaranteeing bank financing capacity

In October 2023, following a two-year feasibility study, the ECB opened a preparatory phase for the central bank's digital euro project. This project aims to strengthen European payment sovereignty.

The banking industry believes that Europe has all the retail payment solutions to meet needs of consumers and merchants and ensure its sovereignty, including existing or developing pan-European instruments such as the European Payments Initiative (EPI) and instant payment. A digital euro would compete with banks' commercial solutions and would lead to **a transfer of depositor funds to digital euro portfolios**, thereby reducing banks' deposits and their ability to finance the economy.

The EPI carried out its first pan-European transactions in December 2023 via its digital wallet Wero. This unified account-to-account instant payment solution for consumers and merchants meets the **innovation and sovereignty challenges highlighted by the European Commission**.

Data Act: in January 2023, the FBF joined forces with MEDEF for data sharing between companies on a voluntary and contractual basis. The regulation of 13 December 2023 lays the foundations for a new framework to harmonise data sharing at the European level.

In June 2023, the *Groupe de Place Robustesse*, chaired by the Banque de France and of which the FBF is a member, conducted a large-scale cyber crisis management exercise. The exercise tested market players' systems and coordination.



70%

of French people say they are completely confident in the banks when it comes to the security of their personal data.

(Source: FBF IFOP study, April 2023)



Fake bank advisor fraud

[A Brut media report that can be viewed on the FBF France YouTube channel](#)

Payment security – a top priority

The security of customer data and funds is a top priority for French banks. They are constantly strengthening the security of payment methods, in particular through strong authentication solutions.

While payments increased sharply in France in 2022 (the number of transactions rose 8% year-on-year), **payment fraud is down 4% in volume terms**. Bank card fraud totalled €464m in 2022, slightly lower than in 2019, while card payments increased by €143bn over the same period.

(Source: OSMP, July 2023 report)

With payments becoming increasingly secure, manipulation-based fraud techniques are gaining traction. In addition, the banking industry is stepping up its prevention initiatives, working to clarify strong authentication messages on banking apps and calling on all stakeholders to take action. It welcomes the **OSMP's recommendations of May 2023** which should simplify the reimbursement of fraudulent payment transactions. It regrets that the Naegelen Act – which aims to combat phone number theft and came into force on 25 July – is still not being applied by telecommunications operators.

Giving the French people the right reflexes

Customer vigilance is a cornerstone of the fight against fraud. In addition to continuously raising public awareness with the *Les clés de la banque* programme, in April 2023 the FBF launched **a major communication campaign** in the written press, on the radio and online, called "*Ne donnez jamais ces données*" (Never give out this information), to warn people about the importance of protecting their banking information.

While French people generally pay attention to their banking information and know best practices, they are sometimes not as vigilant as they should be, as revealed by the FBF IFOP study published in April 2023.

In October, for European Cybersecurity Month, the FBF relaunched this campaign and published a new **Harris Interactive study**, which indicated that while nearly 9 out of 10 French people consider their banking information to be sensitive, they take less precautions to prevent cyber risks. However, over half of French people say they have already faced a bank data scam attempt.

Financial security: we never let down our guard



Nearly

300

French decrees, and European decisions and regulations imposing financial sanctions or the freezing of assets were implemented at banks in 2023.

Constant vigilance in the face of money laundering risks

French banks invest every year to increase the effectiveness of their risk analysis, suspicious transaction reporting, asset freezing and other financial sanctions systems.

The banking industry is a **major player in France's** anti-money laundering and counter terrorist financing (AML-CTF) system and was responsible for **more than 50% of suspicious transaction reports** sent to Tracfin in 2022. The continuous increase in the number of reports due to constant vigilance by institutions demonstrates the banking sector's overall maturity in terms of AML-CTF.

Application of financial sanctions

The banking industry is working tirelessly to apply restrictive measures against certain countries, through compliance with financial and economic sanctions at national, European and international levels. In 2023 specifically, banks implemented new measures adopted by the EU imposing an asset freeze on individuals and entities, and restrictions aimed at hitting the Russian economy.

Towards a new anti-money laundering authority

The extensive reform of European AML-CTF rules, initiated in 2021, reached several milestones in 2023:

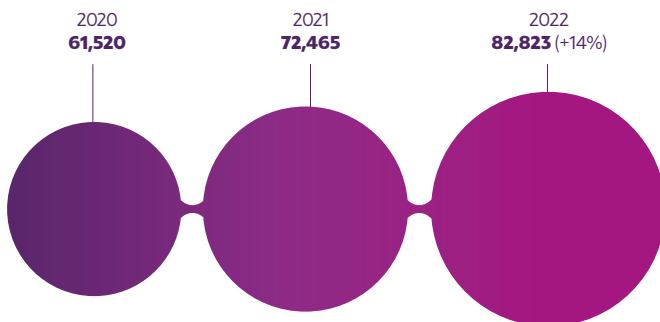
- the regulation of 31 May 2023 increases the transparency obligations on transfers of funds including crypto-asset transactions;
- the regulation establishing a European Anti-money-laundering authority (AMLA) was ratified by the European Council and Parliament on 13 December 2023;
- an agreement between the European Council and Parliament was reached on 18 January 2024 on the overhaul of the 5th Directive and the proposal for a regulation aimed at clarifying and supplementing AML-CTF obligations (in particular relating to governance, internal control and due diligence measures vis-à-vis beneficial owners).

The banking industry is involved in this major reform to make the system even more effective.



Further reading at
lesclesdelabanque.com

[Mini-guide: Anti-money laundering and counter terrorist financing, June 2023](#)



Suspicious transaction reports from credit institutions to Tracfin
(number)

(Source: Tracfin, 2023 report)

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