

Paris, 18 April 2024

**French banks are stepping up their efforts in the fight against climate change, with a 50% increase in their green and sustainable lending in the past year. For every euro of fossil fuel financing, €5 now goes to funding the transition.**

French banks are firmly committed to combating climate change. They are providing increasingly large amounts to finance transition projects carried out by their customers, whether businesses or individuals. The amount of green and sustainable loans on their balance sheets rose by 50% in one year, from €216bn in 2022 to €337bn in 2023, and quadrupled over three years. Meanwhile, French banks' exposure to the hydrocarbon sector fell by 16% in 2023. These significant steps are positive, although French banks know that much remains to be done. They will continue their efforts to support the economy and their customers in the necessary decarbonisation of their activities.

#### **1. Increasing financing of renewable energies and green and sustainable activities.**

In response to the climate emergency, French banks are stepping up financing of the transition across all economic sectors. Their green and sustainable loan portfolio **reached €337bn in 2023, quadrupling over three years and increasing by 50% over the last year**. Banks are deploying financial solutions to support their customers' transition across all sectors of the economy, from energy to industry, transportation (clean vehicles and low-carbon infrastructure projects), and real estate (residential and commercial properties and public buildings).

In terms of renewable energy financing, French banks are leading the way globally, with outstanding loans for renewable energies standing at more than €73bn in 2023, up 74% compared with 2021. French banks remain among the top 10 global players in the financing market for renewable energy projects, extending the lead over their counterparts across the Atlantic.

They also support their customers through the arrangement of green and sustainable bonds. They are among the global leaders in this market, structuring €100bn on behalf of customers over the course of 2023.

Committed since 2021 to contribute to achieving global net-zero carbon neutrality by 2050 through the Net Zero Banking Alliance (NZBA), French banks have already published and begun implementing some of the world's most ambitious decarbonisation trajectories for the oil and gas, thermal coal and power generation sectors. This year they will communicate on all emitting sectors covered by NZBA.

#### **2. A significant reduction in French banks' exposures to fossil fuels.**

Pioneers in phasing out fossil fuels, the weight of this sector in French banks' balance sheets is now very low, at 0.02% for thermal coal, although coal still accounts for over a quarter of the world's energy consumption and over a third of global electricity production (source: IEA 2022).

Hydrocarbons now account for just 0.73% of balance sheets, down 16% in one year, from €78bn in 2022 to €66bn<sup>1</sup> in 2023.

No French banks are in the world's top 10 for fossil fuel financing.

More generally, French banks have kept to their commitment – unique in the world since 2021 – on unconventional hydrocarbons, which is particularly noteworthy in the current geopolitical context.

According to FBF Chairman Nicolas Namias: **“The environmental transition challenge is massive, urgent and complex, since we need to transform our production and consumption models in less than 20 years, whereas the industrial revolution took more than a century. French banks are fully mobilised to meet this challenge, as shown by the figures we are publishing. By supporting the transition through €37bn of green and sustainable projects in 2023, up 50% from the previous year, we are demonstrating our ability to reduce the footprint of our balance sheets, while also being active partners in the decarbonisation of the entire economy.”**

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<sup>1</sup> Total exposure published in banks' Pillar 3 reports and supplemented by the method recommended by the banking supervisory authority (ACPR) to determine French banks' exposure to the fossil fuel sector, updated as at 31/12/2023 (31/12/2022 for one establishment).