MEMO
NO. 11

French Banks – Leaders in Sustainable Finance

FÉDÉRATION BANCAIRE FRANÇAISE

French Banks Leaders in Sustainable Finance

Foreword

Faced with the ecological emergency, French banks are taking widespread action to meet the challenges of the environmental transition. They continue to provide large-scale financing for their clients' transition projects, supported by the roll-out of tailored banking solutions. They are among the global leaders in renewable energy financing and arranging green bonds.

As environmentally responsible institutions with commitments at both national and global level, banks are implementing loan-portfolio decarbonisation targets and supporting their clients across an increasingly broad range of issues (climate change adaptation, nature, water and the circular economy).

French banks are continuing to reduce their exposure to the most carbon-intensive energy sectors, which now account for only a very small proportion of their balance sheets.

The green transition is also being embedded ever more deeply across banks' business lines, functions and processes. The increased transparency requirements at European level are also intended to contribute to companies' and banks' transition to a net-zero Europe by 2050.

The momentum is firmly established and the strategy of French banks remains unchanged: they will continue their efforts to support the economy and their clients over the long term as they undertake the necessary decarbonisation of their business activities.

Maya Atig
Chief Executive Officer of the FBF

Financing the Ecological Transition

4

French banks
in the world's top 10
green loan issuers

4

French banks
in the world's top 10
for sustainability-linked loans

Source: Dealogic, 2025

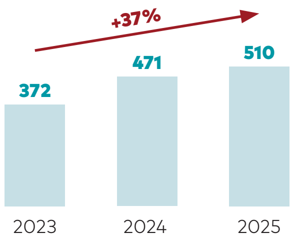
Maintaining transition targets

In a complex and uncertain international environment, French banks are staying the course over the long term and continuing to finance the green transition across all sectors of the economy.

- **Outstanding green and sustainable loans increased by 37%** over two years, rising from €372bn to €510bn in 2025.
- **Banks are providing financial solutions** to support their clients' transition and adaptation across all economic sectors: energy, industry, transport (clean vehicles and low-carbon infrastructure projects), real estate (residential, commercial, public buildings).
- **French banks are increasingly shifting their financing away from fossil fuels and towards low-carbon energy**: for every €1 of financing for fossil fuel production, €3.40 finances renewable energy and €17 finances green and sustainable loans.

Outstanding green and sustainable loans on French banks' balance sheets (€bn)

Source: FBF



N.B.: unless otherwise stated, the FBF data published in this document comes from the six largest French banks.

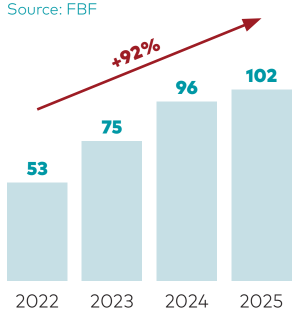
Global leaders in renewable energy financing...

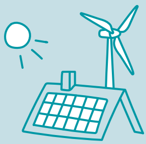
French banks are ramping up their financing of renewable energy projects.

- Outstanding financing for renewable energy projects reached €102bn in 2025, **i.e. +92% over three years.**
- At the same time, exposures to hydrocarbon production **fell by 17% in 2025** (to an outstanding amount of €30bn, i.e. 0.28% of their total assets).
- Four 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. *(Source: IJ Global, 2025)*

Outstanding renewable energy project financing (€bn)

Source: FBF





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French banks in the world's renewable energy project financing top 10

Source: IJ Global, 2025

... and the arrangement of green bonds

French banks support their clients' transition by structuring and distributing green and sustainability-linked bond issues.

- **€103bn in green and sustainable bonds** were structured on behalf of clients in 2025.
- **Four French banks** rank in the world's top 12 green and sustainability-linked bond issues. *(Source: Dealogic, 2025)*

Specific Decarbonisation Targets

The FBF is a member of the Institut de la Finance Durable (IFD), which coordinates action by the Paris financial centre on sustainable finance.

Decarbonisation of loan portfolios

French banks are working to ensure that decarbonisation targets are ambitious and results are transparent.

- Banks are actively working to:
  - > **align the greenhouse gas (GHG) emissions generated by their lending** to the highest-emitting sectors with a pathway compatible with the 2015 Paris Agreement;
  - > publish **carbon reduction target pathways** and implement associated action plans for the highest-emitting sectors;
  - > **disclose, on an annual basis, their carbon footprint** by sector, their progress and the related action plans.
- Since 2024, they have been **fully implementing these pathways** and monitoring the decarbonisation of their loan portfolios.

The targets set by French banks have been developed in line with market-wide best practice, including under the CSRD since 2025.

Transparency of climate data

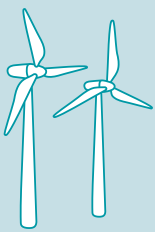
French banks disclose information on compliance with their climate objectives to the public.

- **Each year, the ACPR and AMF assess** the climate objectives of Paris Financial Centre players.
- Banks disclose information on the climate-related risks in their portfolios under **prudential rules** (Pillar 3 ESG). Since 2025, banks' transition plans have been included in sustainability reports in accordance with the **CSRD** (see page 16).

Supporting the energy transition around the world

French banks are supporting many regions in developing their low-carbon energy infrastructure...

- **Major projects in France and abroad:** offshore wind power (Pays de la Loire and Normandie regions, Japan), offshore wind and EPR nuclear power (United Kingdom), onshore wind and photovoltaic (solar) power (India)…
- **Local energy:** portfolio of photovoltaic projects (France), biomass power plant (French Guiana), agrivoltaic projects (Italy), residential solar projects (United States), street solar lighting (Senegal), etc.
- **Innovative projects:** pilot floating offshore wind project in the Mediterranean (Occitanie region)…



Public/private financing: French banks are partnering with the EIB to boost investment in the wind industry.

... and contribute to financing the entire low-carbon energy value chain.

- **Energy efficiency:** partnership with specialist providers to support retail customers with the energy-efficiency renovation of their homes…
- **Electricity networks:** first European green bond issue to support the integration of renewable energy into the grids (Eurogrid)…
- **Batteries for renewable electricity storage:** construction of an innovative lithium and renewable energy project (Germany), battery portfolio (Latin America), construction of a low-carbon battery gigafactory (France)…

Decarbonisation of Loan Portfolios

Specific decarbonisation targets by sector

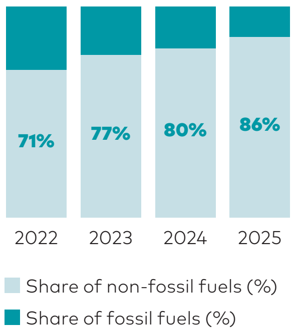
French banks have set specific targets for decarbonising their loan portfolios by sector.

- Their targets for the **fossil fuel sector** are among the most ambitious in the world (see page 7).
- For the **electricity generation sector**:
  - > the greenhouse gas (GHG) emission intensity related to their credit portfolios in 2025 is just 121 g CO_2 / KWh, compared to 434 g CO_2 / KWh globally and 172 g CO_2 / KWh in the EU *(source: IEA)*;
  - > the share of non-fossil energy sources (renewable energy and nuclear) in financing for electricity generation amounts to 86%*.
- For most of the sectors covered (oil and gas, thermal coal, power generation, automotive manufacturing, etc.), the banks have set science-based **GHG emissions intensity targets** linked to physical production metrics.

* Figure calculated for 5 of the 6 largest French banks.

Financing electricity generation

Source: FBF



No French bank is in the top 20 in the 2025 global fossil fuel financing market (loans and bond issuance structuring).

Source: IJ Global, 2025

Residual exposure to thermal coal

French banks were pioneers in excluding the highest-emitting energy sources, starting with coal.

- In 2019, the French banking sector was the first in the world to **collectively commit to completely exiting the thermal coal sector** by 2030 (for activities in OECD countries) and 2040 (for the rest of the world).
- Banks' exposure to the thermal coal sector is residual: €1bn, **equivalent to 0.01% of their total assets** (and 0.02% of financing), even though thermal coal still accounts for 27% of global energy consumption and 44% of global electricity and heat generation, and production increased by 1% year on year. *(Source: IEA, 2024 data)*

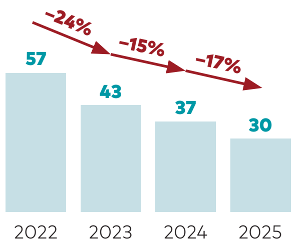
0.01%

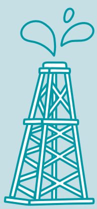
Thermal coal as a share of French banks' total assets

Source: FBF, 2025 data

Balance sheet exposures to hydrocarbon production (€bn)

Source: FBF





0.28%

of bank balance sheets exposed to fossil fuel production

Source: FBF, 2025 data

Hydrocarbons account for a very small part of bank balance sheets

French banks continue to reduce their exposure to the hydrocarbon production sector.

- Major banks' balance sheet exposure to the hydrocarbon production sector amounts to €30bn, equivalent to **0.28% of their total assets** and 0.69% of financing (outstanding loans and advances to customers), even though the fossil oil and gas sectors still account for 53% of global energy consumption, with production up 1.5% year on year. *(Source: IEA, 2024 data)*
- Banks' exposure to the hydrocarbon production sector **decreased by 17% in 2025.**

Taking Action to Protect Biodiversity

According to IPBES*'s 2026 report, **all companies depend on and have an impact on biodiversity**.

Participation in global initiatives

The major French banks contribute to various initiatives aimed at preserving and restoring biodiversity and natural resources.

- Specific objectives are being developed by banks to combat degradation and restore natural capital as part of the **Act4Nature International** initiative.
- Banks have adopted the **Equator Principles**, which involve taking ESG criteria into account when financing projects, including biodiversity issues.
- Other international projects aim to develop **methodological frameworks related to biodiversity:** IPBES, TNFD, IAPB* etc.

The FBF participates in the United Nations Biodiversity Conferences: COP15 in 2022, which culminated in the Kunming-Montréal agreement, and COP16 in 2024 in Colombia.

Protecting the oceans

French banks are involved in initiatives to preserve and protect the oceans, in particular by:

- incorporating environmental criteria into financing policies for **sectors with a high impact on the oceans;**
- signing of the **Poseidon Principles** and contributing to the financing of the **decarbonisation of the fleet and maritime transport;**
- participating in awareness-raising actions (reducing use of plastics, coastal clean-ups, etc.), and financing of coastal and marine biodiversity protection projects.

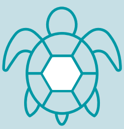
* IPBES (Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services), TNFD (Taskforce on Nature-related Financial Disclosures), IAPB (International Advisory Panel on Biodiversity Credits)

Reducing the footprint of human activities

Banks are proactively supporting their customers in reducing the impact of their activities on biodiversity by:

- financing projects by companies and local authorities that aim to **restore and preserve natural spaces**;
- considering the impacts of certain projects on biodiversity and natural ecosystems when **analysing credit risk**;
- taking into account the **biodiversity impacts** of infrastructure projects financed in accordance with the Equator Principles;
- restricting funding for projects on **sites rich in biodiversity**, including sites classified by IUCN (International Union for Conservation of Nature) and UNESCO World Heritage, or listed by the Ramsar Convention on Wetlands.

French banks refer to the Kunming-Montreal Global Biodiversity Framework to gradually integrate nature- and biodiversity-related issues into their risk management processes.



73%

of vertebrate populations have disappeared in less than 50 years

Source: WWF, 2024

Nature-based products and services

Banks are developing innovative financing solutions that respect natural ecosystems.

- Products include **specific biodiversity objectives:** *green bonds, sustainability-linked loans, etc.*
- Investment solutions are **dedicated to natural capital.**
- Public/private financing promotes **agroecology and agroforestry** in emerging countries.

Banking Solutions to Finance the Transition

€245bn

in outstanding loans for the energy transition of the retail real estate portfolio: eight times more than the share of regulated savings that banks must allocate to the transition (€28.7bn)

Source: Banque de France, 2024

Further reading at lesclesdelabanque.com

"Climate" guides on financing solutions and financial aid

Products for the transition of businesses and local authorities

Banks offer competitive financing solutions for businesses to encourage their ecological transition. The rollout of these offers is part of each banking network's sustainable strategy.

- **Bank solutions** are generally structured around:
  - > **diagnostic tools** that can be based on a global CSR questionnaire aimed at identifying and targeting companies' needs, and on a carbon assessment;
  - > **green loans** dedicated to financing ecological transition projects;
  - > **green leasing offers** to finance renewable energy projects;
  - > **impact loans** linked to sustainability objectives (sustainability-linked loans) whose interest rate varies according to the company's non-financial performance;
  - > **positive impact investments** (green bonds, social bonds) or SRI-certified investments accessible to SMEs.
- Banks provide financial support to **local authorities** for projects to modernise essential infrastructure: low-carbon public transport and cycle paths, energy renovation of local administrative buildings, etc.

The Banque de France is working with a wide range of relevant professionals to roll out a corporate climate indicator based on how companies take account of climate change-related issues.

Green loans for households

All bank loans can, in principle, finance households' transition projects.

- **Traditional bank loans** are the basis of solutions to responsibly finance energy renovation projects in homes or the purchase of green equipment by households.
- In addition to traditional loans, banks offer a range of **specific "green" loans**, developed by each network, including for energy savings, renovations and green mobility...
- They also distribute **regulated loans** dedicated to energy-efficient home improvement or renovation work: zero-interest eco-loans, home savings loans (granted if the customer has built up savings in a home savings plan), loans funded from banks' own resources and backed by LDDS (*Livret de Développement Durable et Solidaire*) deposits, and the "Avance Rénovation" loan for low-income households.

Financial savings to drive the transition

Banks offer "green" financial savings and investment products to encourage savers to help finance the ecological transition.

- Public labels (SRI, Greenfin) make it possible to identify **socially responsible investment products,** in particular by excluding funds that invest in companies exploiting fossil fuels.
- The SRI and Greenfin labels were updated in 2024 and 2025 **to meet investors' higher expectations in terms of sustainable** finance and comply with the requirements of the European framework.

Further reading at fbf.fr

IFOP study on financing energy renovation works
(FBF/ASF publication, November 2025)

Since August 2022, financial advisors have been required to collect their clients' sustainability preferences before offering them any financial investment (under the Markets in Financial Instruments Directive - MiFID II and the Insurance Distribution Directive - IDD).

Supporting the Transition Beyond Climate Action

€41bn

This is the amount of outstanding loans supporting the social and solidarity economy (SSE) within regulated savings schemes

Source: Banque de France, 2024

Broader environmental challenges

Beyond climate change mitigation, French banks support clients on an increasingly broad range of transition issues.

- **Adaptation to climate change**
  - Banks support dedicated bond issuance projects (Paris Climate Bond, Resilience Bond in Tokyo, etc.).
  - They support local sector-specific pilot projects (changes in mountain tourism, wastewater reuse, etc.).
  - They create tools for assessing clients' adaptation strategies to better support them in their resilience efforts, and finance water-related resilience programmes (aqueduct renovation, etc.).
- **Social and solidarity economy (SSE)**
  - In 2024, within regulated savings schemes (Livret A, LDDS, etc.), outstanding loans supporting the SSE amounted to €41bn. *(Source: Banque de France)*
  - Dedicated relationship managers with expertise in the specific characteristics of SSE organisations support players in this sector.

Banks support green bond issues such as the Paris Climate Bond, with €85 million allocated to various climate change adaptation projects in the French capital.

One bank is a partner in the IREN Agri initiative, which aims to accelerate the agricultural transition and financial inclusion across agricultural value chains in Africa.

- **Circular economy**
  - Five of the six largest French banks are participating in the second year of Circul'R's "Circular Finance" Coalition, which brings together companies from different sectors to roll out circular projects.
  - Banks support social-impact contracts (creation of a network for the reuse of medical equipment with ADEME, etc.).

- **Transition of agriculture along the value chain**
  - Banks are financing companies using, in particular, targets for contributing to regenerative agriculture with agricultural partners (sustainability-linked loans).
  - They are creating new tools and dedicated offerings for sustainable agri-environmental practices.

- **High-integrity carbon and/or nature credit markets**
  - Banks issue social impact bonds (outcome bonds) to finance conservation projects focused on local communities via carbon markets (Amazon, etc.).
  - They finance sustainable restoration projects to transform unproductive or degraded agricultural land into forests, which will generate high-quality carbon credits.

In 2026, several major French banks are taking part in the second year of the **Circul'R's "Circular Finance" Coalition** to help create conditions that support the circular economy.

The Green Transition Within Banks

500,000

employees of French banks trained in CSR topics
around the world by the end of 2025

Source: FBF

A profound transformation

As companies in their own right, French banks are continuing to embed the green transition across their business lines, functions, and processes.

- **ESG risk management**
  - > Banks now integrate ESG risk factors into their overall risk assessment and apply, in particular, the EBA (European Banking Authority) guidelines.
  - > They structure prudential transition plans (PTPs) to strengthen their resilience to climate- and nature-related risks.
- **Employee training and governance**
  - > Banks are delivering ESG training to a growing proportion of their employees and raising awareness of ESG issues across their workforce.
  - > Where variable remuneration is awarded to their senior executives, they have included ESG criteria for several years.

Corporate Social Responsibility (CSR) enables banks to support their clients in integrating the environmental and social risks to which they are increasingly exposed.

**New CSR skills:
what are the challenges for the banking sector?**

This study by the Observatoire des Métiers de la Banque, published in December 2025, presents the CSR challenges faced by institutions, measures the exposure of occupations, and maps the skills being mobilised. It also highlights existing training practices and needs that are not yet adequately covered.

Further reading at observatoire-metiers-banque.fr

- **Own operations and procurement**
  > Banks are taking action to address their direct impacts: reducing energy consumption from their premises and IT systems, managing waste sustainably, implementing responsible procurement policies, etc.

- **Reducing employees' carbon footprint**
  > Banks are encouraging active and low-carbon mobility among employees.
  > They are introducing more efficient workstations and renewable energy sources, and reducing paper consumption (recycling, paperless processes, etc.).

More Stringent Sustainable Finance Rules

A European framework to accelerate the transition

EU regulations aim to support the European economy's transition to net zero by 2050. The regulatory framework has been strengthened in several ways:

- **a common language to determine sustainable activities**
  - > The Taxonomy Regulation establishes a classification system for environmentally sustainable activities.
- **transparency requirements applicable to businesses**
  - > The Sustainable Finance Disclosure Regulation (SFDR) requires sustainability-related disclosures in the financial services sector.
  - > The Corporate Sustainability Reporting Directive (CSRD) requires companies to publish information on their impacts, risks and opportunities related to sustainability issues.
  - > The "Pillar 3" reporting under the Capital Requirements Regulation (CRR) requires banks to publish information on their exposures to climate and ESG risks.

The revised Capital Requirements Directive (CRD) and Capital Requirements Regulation (CRR) of 31 May 2024, which set out rules on banks' capital requirements, further embed ESG risks in banks' risk management systems. Emphasis is placed on credit institutions' exposure to environmental transition risk.

As part of the EU simplification agenda (February 2026 Omnibus Directive), the French banking sector has taken action to focus non-financial reporting on what experience has shown to be genuinely relevant and effective in accelerating the green transition.

- **provision of ESG data**
  - > The European Single Access Point (ESAP) legislation provides for the establishment of a platform by 2027 centralising all corporate financial and non-financial data.
  - > The ESG rating regulation aims to increase the transparency of ESG rating providers' methodologies and prevent conflicts of interest.
- **tools for sustainable product design**
  - > The Benchmark Regulation introduces "low-carbon" benchmarks and strengthens the transparency requirements for benchmarks in terms of sustainability.
  - > The European Green Bond (EuGB) label regulation governs issuers' use of the term "European Green Bond".
- **compliance and advisory rules**
  - > The *Corporate Sustainability Due Diligence Directive* (CS3D) establishes a due diligence duty for many companies, in relation to their activities and those of their subsidiaries, in order to identify and limit their negative social and environmental impacts.
  - > The implementing texts of MiFID 2 (Markets in Financial Instruments Directive) require that sustainability criteria be taken into account in product governance and in investment advice to clients.

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