1- What went wrong in European Governance?

Markets / Rules / Institutions

2- Responsible banking:

- Restoring financial security
- While financing European economy
Since 2011, many European banks have achieved a major deleveraging to comply with Basel III.

<table>
<thead>
<tr>
<th>Bank</th>
<th>Action Description</th>
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</thead>
<tbody>
<tr>
<td>Barclays</td>
<td>Assets fell 3% YoY to £1.5tn in H1 '13</td>
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<tr>
<td>BNP Paribas</td>
<td>Completed €79bn RWA reduction plan (2011 – 2012)</td>
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<tr>
<td>Crédit Agricole</td>
<td>Reduced RWAs by €57bn, 160% of target (2011 – 2012)</td>
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<tr>
<td>Deutsche Bank</td>
<td>RWAs reduced 6% to €314bn (2012 – 2013)</td>
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<tr>
<td>ING</td>
<td>RWAs fell by €41bn or 14.7% (2011 – 2012)</td>
</tr>
<tr>
<td>Lloyds TSB</td>
<td>RWAs reduced 12% YoY to €310bn in FY 2012</td>
</tr>
<tr>
<td>Santander</td>
<td>RWA declined 6.1% YoY to €523bn in H1 '13</td>
</tr>
<tr>
<td>Société Générale</td>
<td>RWAs down 3.2% QoQ in Q2’13</td>
</tr>
<tr>
<td>UniCredit</td>
<td>RWAs down 7.2% YoY to €427bn in FY ‘12</td>
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In particular, a reduction by 9% of the Eurozone banks’ balance sheets between May 2012 and July 2013.

Francois Villeroy de Galhau  
Deputy CEO of BNP Paribas
This deleveraging has a major impact on Eurozone banks’ balance sheets, but has improved their financial soundness.

- **Capital & reserves**
  - January 2009: €1,786 bn
  - July 2012: €2,299 bn
  - July 2013: €2,407 bn
  - Increase: +35%

- **Total balance sheet**
  - January 2009: €32,278 bn
  - July 2012: €34,366 bn
  - July 2013: €31,678 bn
  - Decrease: -7.8%

**Leverage**
- (Capital & reserves / Total balance sheet)
  - January 2009: 5.53%
  - July 2012: 6.69%
  - July 2013: 7.60%

Source: ECB

François Villeroy de Galhau
Deputy CEO of BNP Paribas
Credit contraction is still going on in the Eurozone, contrary to the United States.

A visible difference between the Eurozone and the US: weaker demand, but also “regulation effect”? 

Sources: ECB, BoE, Fed