





EUROSYSTEME DE FRANCE BANQUE DE F

EUROSYSTEME



KEY FIGURES

IN 2020,
THE BANQUE DE FRANCE
COMPRISED...

105 permanent sites

9,535 full-time equivalent employees



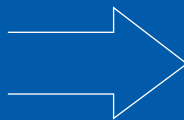
-22%
in greenhouse gas emissions
compared with 2014

€ 4.97 BN
profit before tax

€ 137 M
reduction in operating expenses

The health crisis triggered a massive supply and demand shock. Manufacturing output and the provision of services fell, consumption contracted, especially in services. As companies feared their cash position would deteriorate, their confidence fell sharply.

WHAT HAS THE BANQUE DE FRANCE DONE TO ADDRESS THE CRISIS?



➔ **THE BANQUE DE FRANCE ACTED IMMEDIATELY TO ENSURE THE FINANCING**

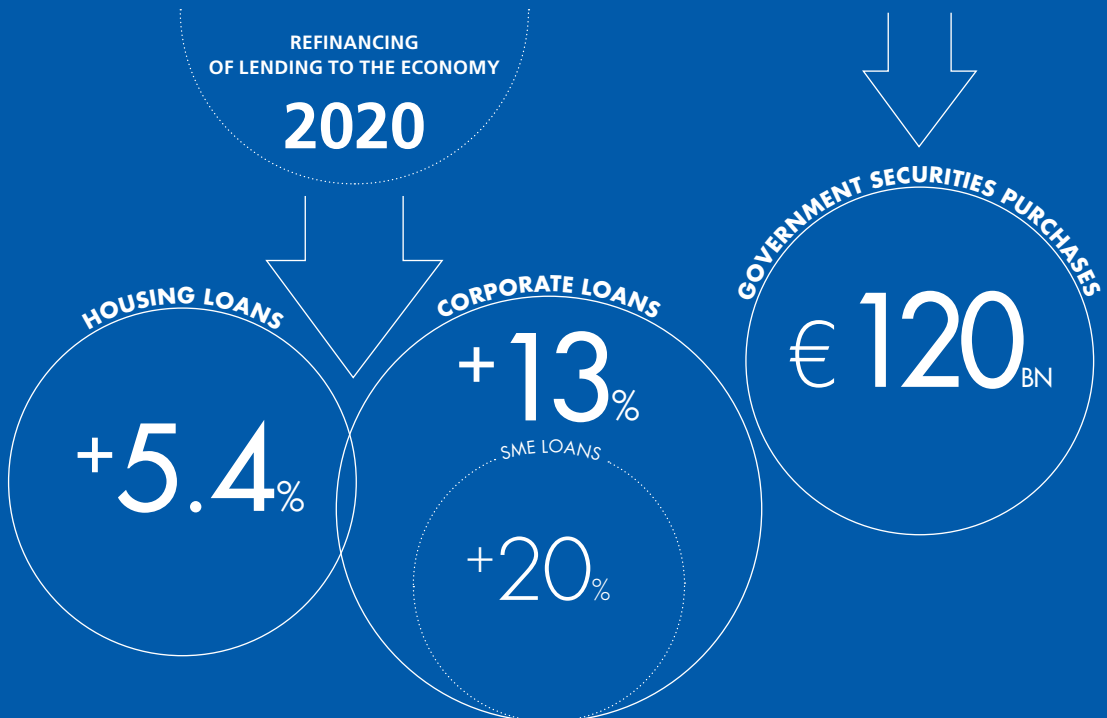
needed to support the economy, in order to prevent bankruptcies and redundancies:

- It participated, together with the ECB and all national central banks, in the deployment of a **financing bridge**
- Together with the HCSF and the ECB, it eased some of the regulatory requirements affecting banks to increase their ability to lend to businesses

➔ **EUR 400 billion were injected by the Banque de France** to encourage banks to grant loans to companies and individuals (including state-guaranteed loans)

➔ **MORE FAVOURABLE FINANCING CONDITIONS**

- EUR120 billion of government securities were purchased from banks by the Banque de France as part of the pandemic emergency purchase programme
- The Eurosystem's key policy rate is 0%
- Banks can refinance certain loans at – 1%
- The state borrows at negative rates to finance its aid programme



- ➔ **THE BANQUE DE FRANCE ANALYSED AND CLOSELY MONITORED THE ECONOMIC EFFECTS OF THE CRISIS** in order to provide reliable, up-to-date economic information that is accessible to all, enabling it to:
- calibrate monetary policy at the European level
 - implement it at the national level
 - assess the effects of the support measures

- ➔ **WITH THE ACPR, IT CONSTANTLY MONITORED THE SOUNDNESS OF THE FINANCIAL SYSTEM**
- it monitored the continuity plans of financial institutions and market infrastructures
 - it analysed financial risks in the banking and insurance sectors

- it prepared the financial sector's exit from the crisis to ensure its robustness and resilience:
 - adjusting timetables for implementing regulatory changes
 - integrating climate change issues

THE LOSS OF ACTIVITY IN 2020 REDUCED



8,500

companies interviewed for the monthly business survey

657

banks supervised

683

insurance firms and mutual insurers supervised

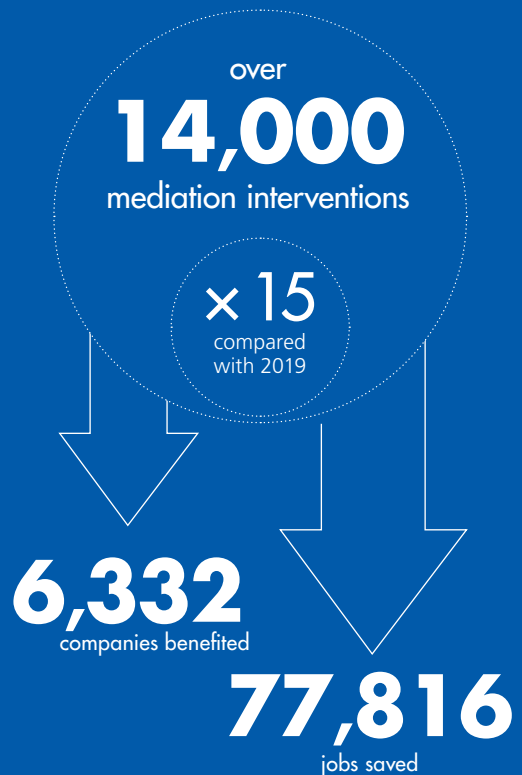
➔ IT ENSURED THE CONTINUITY OF ALL ITS MISSIONS AND EXPANDED ITS SERVICES TO THE ECONOMY AND SOCIETY FOR THOSE WHO NEED THEM MOST

- it extended its support for VSEs and SMEs to all companies
- it enhanced its role as Credit Mediator by speeding up the procedure and increasing its number of interventions fifteenfold
- it participated in a crisis committee set up to deal with the lengthening in payment times
- it ensured the continuity of the cash circuit and the smooth functioning of payments
- it adapted its services and assistance to individuals: continuity of reception and introduction of online filing of overindebtedness files
- it participated in major solidarity initiatives

12,047

entrepreneurs assisted
by SME-VSE correspondents

1.27 MILLIONS
interactions with
the general public



BANQUE DE FRANCE
EUROSISTÈME

STRATÉGIE
STABILITÉ
SERVICES À



MONÉTAIRE
FINANCIÈRE
A L'ÉCONOMIE



THE MONETARY STRATEGY IN 2020



MISSIONS

The Banque de France's cutting-edge expertise consolidates its position as the central bank for markets and **ensures the Paris financial centre is efficient and secure:**

- secure financing environment
- increased capital market liquidity
- management of foreign exchange reserves

At the heart of the Eurosystem, the Banque de France helps to design and implement monetary policy with the aim of **safeguarding monetary stability in the interest of the public**

- participation in Governing Council monetary policy decisions
- implementation of exceptional measures to ensure price stability
- production of economic statistics and forecasts to provide valuable insight

The Banque de France **maintains confidence in the currency in all its forms:**

- printing of the Europa series of banknotes with innovative security features
- putting banknotes into circulation and maintaining banknotes and coins
- security and innovation in all payment instruments

€ **400** BN

in loans granted by the Banque de France to banks in the context of targeted longer-term refinancing operations

- **8.2** %

decline in France's GDP in 2020

€ **134** BN

in French government securities purchased under the pandemic emergency purchase programme at end-January 2021, including purchases by the Banque de France and the ECB

+26

PERCENTAGE POINT
upturn in activity between April (-31%) and December (-5%)

1 BN

in €20 and €50 banknotes manufactured in 2020

2022

year when France's GDP is expected to return to its pre-Covid-19 level

last review of the Eurosystem strategy

2003-2021

current review of the Eurosystem

FINANCIAL STABILITY IN 2020



MISSIONS

As well as securing confidence in the money, the Banque de France guarantees another essential public good: **a sound financial sector**

- inspections at the European level to maintain an international standard for bank resilience
- protection of customer interests

The Banque de France anticipates and prevents risks:

- assessment of new risks
- contribution to changes in regulations
- support for banks in their digital transformation

The Banque de France ensures the sound functioning and security of payments:

- prevention of systemic risks
- smooth functioning of payment systems and market infrastructures

657

banks supervised

683

insurance firms and mutual insurers supervised

165

on-site inspections of insurance firms and banks (excl. SSM inspections) and their business practices

+

26

inspections on behalf of the ECB as part of the Single Supervisory Mechanism (SSM)

15.35 %

the core tier one capital ratio of the six main French banking groups (provisional data)

1,037

ACPR employees (full-time equivalent)

€ 30.3_{BN}

average daily flows processed by retail payment systems in France in December 2020

€ 344_{BN}

average daily settlement flows processed by Target2 (large value payments) in France in December 2020

SERVICES TO THE ECONOMY AND SOCIETY IN 2020



MISSIONS

Promoting the understanding of the economy:

- national steering body for France's economic and financial education strategy
- large-scale initiatives and partnerships

Listening to consumers, especially those that are vulnerable:

- help for the overindebted, right to a basic bank account
- maintenance of payment incident registers, monitoring of bank fees

Providing help and guidance to businesses, especially small businesses:

- guidance for VSEs and SMEs
- credit mediation

Acting as banker to the French state:

- holding of the French Treasury's bank account
- management of government debt auctions

36,056

bank accounts opened at the Banque de France's
behest under the right to a bank account procedure

122,076

cases of overindebtedness handled
by the Household Debt Commissions

160,000

calls handled by the *Assurance Banque Épargne Info Service* (ABEIS)
telephone platform

8,500

businesses surveyed each month for
the Banque de France's economic surveys

12,047

referrals to our 102 VSE-SME
Correspondents

237,797

ratings assigned to non-financial corporations
(mainly SMEs)

77,816

jobs saved in 6,332 companies in 2020
thanks to credit mediation

Building 2024 Together

Through our
expertise
and
independence

STRENGTHEN THE ECONOMY

- “*La Banque de France à votre écoute*” (“The Banque de France Listens”), a Q&A session for all audiences on monetary policy
- Measure and take better account of households’ and firms’ inflation expectations
- Adapt monetary policy operations to climate risks
- Increase the accessibility and security of payment instruments, including cash
- Commit to the success of the European Payments Initiative
- Prepare for the issuance of a central bank digital currency (CBDC)
- Modernise the printing works to increase our competitiveness
- Penetrate new banknote paper markets (EUROPAPI)
- Implement our SUPTECH strategy for enhanced supervision
- Improve the assessment and prevention of risks to the financial system
- Ensure the financial sector takes better account of climate-related risk, notably via the NGFS
- Assess the feasibility of incorporating climate risk into our company ratings process

Through our
openness

SERVE SOCIETY AND EUROPE

- Roll out, via our branch network, a complete financial inclusion offering
- Innovate to better guide entrepreneurs out of the crisis
- Enable all staff to learn more about our missions and spread that knowledge outside the Bank
- Support the strategy of the IEDOM and IEOM for the development of the overseas economies
- Identify the key themes for tomorrow’s Eurosystem and multilateral agendas
- Define an HR policy to increase our influence at the European and international levels

Through our
**sustainable
performance**

**SECURE
THE FUTURE**

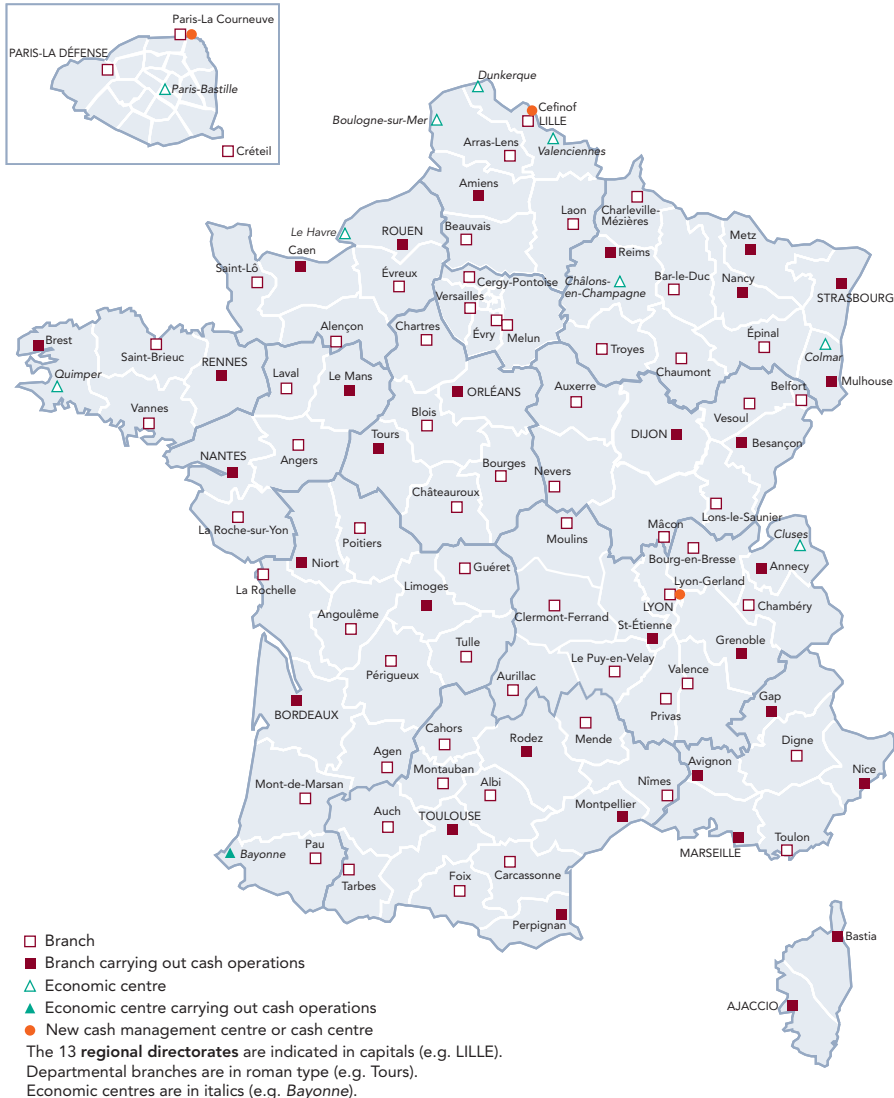
- Reinforce and renew our collective resilience
- Modernise all premises and the working environment in the branch network by the end of the decade
- Simplify workstations and adapt them to new modes of working, including teleworking
- Actively commit to a target of carbon neutrality by 2030
- Aim for digital sobriety in all our digital uses
- Capture more innovations with the business lines and their ecosystems, and accelerate their implementation
- Improve the governance and exploitation of our data, starting in three target areas (companies, financial stability, supervision)

Through our
solidarity

**BE
AN ATTRACTIVE
EMPLOYER**

- Support our managers: more sharing of managerial best practices, more help in facing day-to-day challenges, more autonomy
- Ensure assistant roles are more valued: renewed recruitment methods, lifelong skills development and prospects for promotion
- Provide better financial recognition for staff contributions, including for experts
- Introduce an income protection scheme for all staff
- Simplify our processes and our culture

THE BANQUE DE FRANCE BRANCH NETWORK AS AT 1 JANUARY 2021







banque-france.fr

