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*Banking supervision
And Accounting issues Unit
The Director*

Paris, July 11th 2013

French Banking Federation Response on the BCBS Consultative Document on the European Commission Consultative Document Reforming the structure of the EU Banking Sector

Dear Sir,

The French Banking Federation (FBF) represents the interests of the banking industry in France. Its membership is composed of all credit institutions authorized as banks and doing business in France, i.e. more than 390 commercial, cooperative and mutual banks. FBF member banks have more than 38,000 permanent branches in France. They employ 370,000 people in France and around the world, and service 48 million customers.

The French Banking Federation appreciates the opportunity to share its views on the Consultative Document issued by the European Commission on Reforming the structure of the EU Banking Sector.

These proposals raise many issues. Indeed if we support in general measures that aim to contribute to financial stability, we are not convinced that separating useful banking activities could bring an answer to it.

Firstly in EU, we are in a very tough time regarding new regulations. These regulations, especially CRR-CRD IV and BRRD, aim at reinforcing the banking system with a specific focus on SIFIs and at preventing potential failures with a large arsenal of tools that will be put in place (recovery and resolution plan, bail-in etc.). We therefore think that all these new rules that will be put in place soon will reply adequately to problems posed by large banks and by excessive risk-taking.



Mr Jonathan FAULL
Director General
DG Internal Market and Services
European Commission
2, rue de Spa
B-1049 Brussels

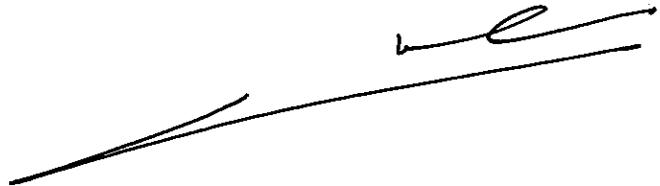
Secondly, market activities should not be questioned. These activities are fundamental and very important for financing corporates and the economy as a whole. Any separation of market activities would create standalone entities that will lose all their competitiveness, with a risk of disappearing or being marginalized in favor of pure large investment banks.

That's why as a third point we would like to draw your attention on the French Banking Bill, which seems to us to have more sense, because it proposes to separate all activities that have no links with the customers' needs and also pure speculative activities.

You will find in the annex attached a more detailed version of these comments and specific responses to the questions of the consultative document.

We thank you for your consideration and remain at your disposal for any questions or additional information you might have.

Yours sincerely,

A handwritten signature in black ink, consisting of a long horizontal line with a small loop at the end, followed by a shorter horizontal line above it.

Jean-Paul Caudal