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FÉDÉRATION BANCAIRE FRANÇAISE

BANKING CRISIS

NO IMPACT ON FRANCE'S PUBLIC FINANCES

The European Central Bank published a report on 17 September 2015 on the cost for public finances of the assistance provided to banks in the eurozone during the crisis (period from 2008 – 2014).

The report shows that France is one of very few countries in the eurozone for which the banking crisis did not have a significant impact on its public deficit and public debt.

Between 2008 and 2014, the cumulated gross cost of bailing out banks in the eurozone amounted to 8% of GDP, 3.2% of which was recovered by the end of 2014. The net impact on the eurozone's public debt ratio was 4.8% of GDP; with the net impact on the budget deficit amounting to 1.8%.

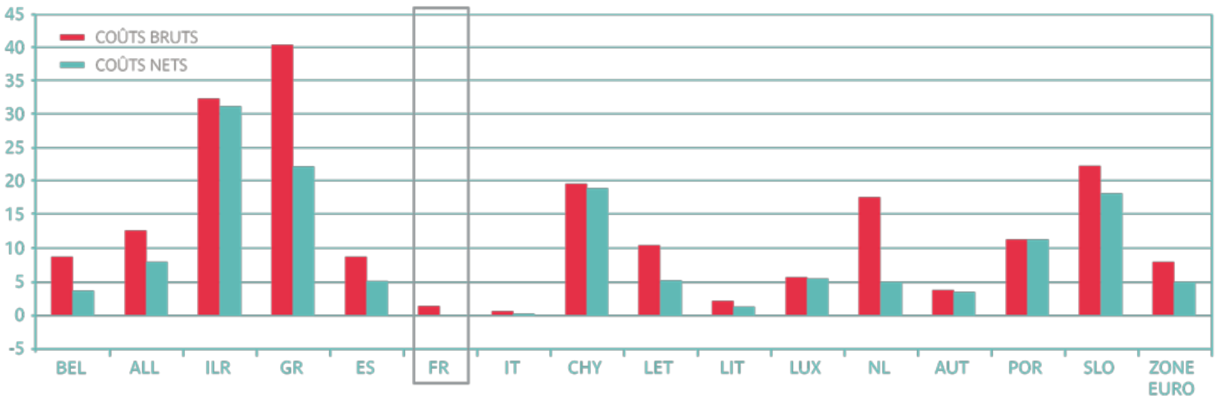
In France, the impact of bailing banks out on its public debt was 0.1% of GDP versus 8.2% in Germany, 5.0% in Spain and 22.6% in Ireland, for instance. The impact on the budget balance of providing assistance to the banking sector was positive: the cumulated revenues from financial aid measures slightly exceeded expenditure.

Compare these figures with those published by France's Cour des Comptes (supreme auditor of the state and social security accounts), which points out in its 2013 annual report that the bank bailout plan brought in €2.3 billion to the state budget.

The increase in France's public debt of 31.1% of GDP between 2008 and 2014 therefore is not linked to support measures for French banks, while in the eurozone, bank support measures account for just under one-fifth of the increase in public debt over the same period.

Accumulated gross and net cost of bank bailout measures in the eurozone

(as a percentage of 2014 GDP)



Source : BCE, 2015