

PRESS RELEASE

**Publication of an economic analysis and event in Brussels:
European financial sovereignty at the heart of the FBF's demands**

Today, the French Banking Federation (FBF) is organizing an event "Strengthening banking and financial competitiveness for an ever-stronger European economy" in Brussels. On this occasion, the FBF is publishing an economic analysis for a better financing in France and Europe, and reaffirms that Europe will only achieve true strategic autonomy with strong financial sovereignty.

Economic analysis for better financing of the economy

The FBF has published "[*Capital requirements for European banks in 2025: an economic analysis based on academic literature*](#)" by Frédéric Gonand, Professor of Economics at Université Paris Dauphine-PSL and Former Economic Advisor to the Minister of Economy Christine Lagarde (2007-2011). This analysis shows that "*the current regulatory and economic situation makes a reduction in capital requirements for banks legitimate, in France and in Europe. The academic literature is fairly unanimous in estimating that a decrease in banks' capital ratios in a period of deteriorating economic conditions - such as in 2025 - has significant favourable effects on the economic activity. **The best available scientific studies allow us to consider robustly that, in the current economic context, a 1% decrease in banks' capital requirements would rapidly increase credit supply by approximately 10%***".

On the basis of this analysis, the FBF estimates that for French banks alone, which are already very solid, and which would remain so, while maintaining a level equal to or higher than that of other economic zones, **the potential would be a lending capacity of €120 billion more (annual production), up to an additional outstanding amount at the end of 10 years that would reach almost €1200 billion more. The FBF is convinced that now is the time to think about this at European level, at a time when our economies have so many needs.**

European strategic autonomy cannot be achieved without financial sovereignty

European strategic autonomy is now a shared conviction among European authorities, and its implementation is urgent. The FBF is proposing several measures in line with the conclusions of the Letta and Draghi reports. They would contribute to the establishment of a regulatory framework that reconciles financial stability and the competitiveness of our sector, to the benefit of all our customers, businesses and households alike.

Within this context the FBF recently published its concrete proposals in the note "[*Cutting the red tape*](#)", which addresses the issues related to the Savings and Investment Union, digital euro and sustainable finance projects...

Regarding the Omnibus Directive presented on February 26, French banks reiterate that they have set published objectives aimed at directing financing towards a more sustainable economy and the energy transition. In fact, they are among the most advanced in the world in this area. For example, the amount of green and sustainable credits on their balance sheets increased by 50% in one year, from €216 billion in 2022 to €337 billion in 2023, a fourfold increase over three years. At the same time, French banks'

exposure to the oil and gas sector is steadily declining, falling by 16% in 2023 and by an even greater rate in 2024. The search for more effective rules must be based on the following elements:

- Hear the voice of entrepreneurs, who cannot be subject to an overload of data requests that will have no concrete effect and require significant resources.
- Take advantage of feedback on the publication of taxonomy data since last year, the publication of the first CSRD reports or the application of the duty of care in France since 2017, to make the application of texts realistic and effective.
- Be consistent and do not impose on banks the collection of additional data that companies would not otherwise have to provide and that banks would be forced to ask them for; be consistent between different regulatory texts and avoid contradictions, for example concerning transition requirements.

According to **Maya Atig, CEO of the French Banking Federation**: *“French banks are keen to ensure that the regulatory and prudential framework enables the economy to operate efficiently, and thus makes it possible to finance the investments needed for Europe's future. French banks will remain mobilized to fulfil their missions, within a regulatory environment that supports them, and thereby contribute to addressing the multiple challenges Europe faces in strengthening its competitiveness and preparing for the future. Genuine European strategic autonomy cannot be achieved without financial sovereignty”.*

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