



IN 2019, THE BANQUE DE FRANCE COMPRISED ...

95 BRANCHES

9,857 FULL-TIME EQUIVALENT EMPLOYEES



€ **6.5** _{BN}

OF PROFIT BEFORE TAX

€ **134** _M

REDUCTION
IN OPERATING EXPENSES
COMPARED WITH 2015

4,638

ENTREPRENEURS ASSISTED
BY OUR VSE CORRESPONDENTS

AS WELL AS...

205,121

HOUSEHOLDS HELPED WITH
THEIR FINANCIAL DIFFICULTIES (RIGHT TO
AN ACCOUNT, OVERINDEBTEDNESS)

18,165

SECONDARY SCHOOL PUPILS
INSTRUCTED IN ECONOMIC,
BUDGETARY AND FINANCIAL ISSUES

3.8%

REDUCTION IN ENERGY-RELATED
GREENHOUSE GAS EMISSIONS
COMPARED WITH 2018

THE BANK'S MONETARY STRATEGY IN 2019



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 designs and implements monetary policy with the **aim of safeguarding a major public good: monetary stability**

- participation in Governing Council monetary policy decisions
- implementation of exceptional measures to keep inflation and growth on track
- 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 banknotes' series with innovative security features
- putting banknotes into circulation and maintaining the currency
- security and innovation in all payment instruments

€ **611.5**_{BN}

of securities purchased by the Banque de France since the implementation of the CBPP3, ABSPP, PSCP and CSPP programmes (cumulated flows at end-2019)

949_M

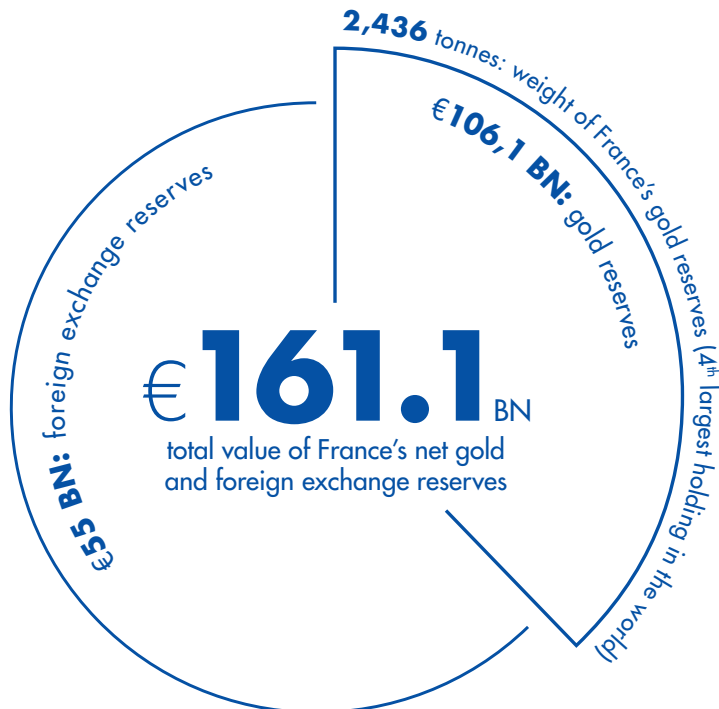
items of data accessible via the Open Data Room

1_{BN}

euro banknotes manufactured and distributed

5.4_{BN}

banknotes distributed at Banque de France counters



2019 HIGHLIGHTS

MAY

28 May: The new €100 and €200 banknotes of the Europa series are put into circulation in the euro area.



↑ The new €100 and €200 banknotes put into circulation on 28 May 2019



↑ Interactive presentation on the ECB's website:
<https://www.ecb.europa.eu/euro/banknotes/>



JULY

16 July: "Bretton Woods: 75 years later – Thinking about the next 75", conference at the Banque de France in the framework of the 2019 French Presidency of the G7.
<https://www.banque-france.fr/en/french-g7-presidency-2019>



SEPTEMBER

First of a new series of quarterly targeted longer-term refinancing operations (TLTRO III.1 to 7 between September 2019 and March 2021) for Eurosystem banks.
<https://www.ecb.europa.eu/press/>

The Observatory for the Security of Payment Means publishes the migration plan for the generalisation of strong authentication for online purchases.

<https://www.banque-france.fr/plan-de-migration-pour-lauthentification-forte>

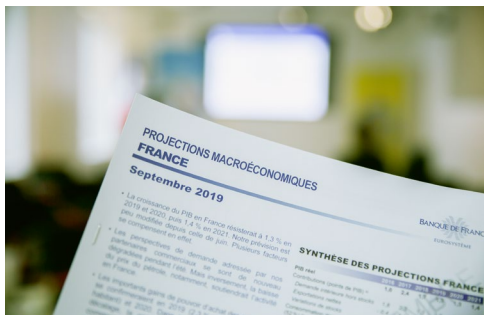
OCTOBER

30 October: The Eurosystem introduces a two-tier reserve remuneration system, whereby part of the excess liquidity holdings are exempt from the negative rate applicable on the deposit facility.

<https://www.ecb.europa.eu/press/>

31 October: Presentation of the new FR-BDF macroeconomic model used for forecasts and analysis on France.

<https://publications.banque-france.fr/en/>



↑ The quarterly Macroeconomic Projections France publication
<https://publications.banque-france.fr/en/liste-chronologique/macroeconomic-projections>

NOVEMBER

1 November: The Eurosystem relaunches the asset purchase programme at a rate of EUR 20 billion per month.

<https://www.ecb.europa.eu/press/>



12 November: The Banque de France announces the opening of an office in Singapore.

Press release: <https://www.banque-france.fr/en/communiqué-de-presse/>

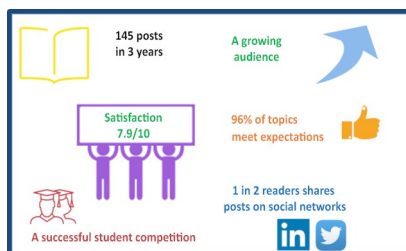
DECEMBER

4 December: The Banque de France announces its participation in experiments with digital central bank money (DCBM).

Governor's speech: <https://acpr.banque-france.fr/publications/>

27 December: *Eco Notepad*, the Banque de France's economic blog, celebrates its third anniversary, with 145 posts published.

<https://blocnotesdeleco.banque-france.fr/en/blog-entry/blog-discerning-and-demanding-readers>



FINANCIAL STABILITY IN 2019



MISSIONS

As well as securing confidence in the currency, 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:

- evaluation of new risks
- contributions to changes in regulations
- support for banks in their digital transformation

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

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

671

banks supervised

695

insurance firms and mutual insurers supervised

192

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

+

47

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

14.4%

the core tier one capital ratio of the six main French banking groups

1,042

ACPR employees (full-time equivalent)

€24.8_{BN}

average daily flows processed by retail payment systems in France in December 2019

€301_{BN}

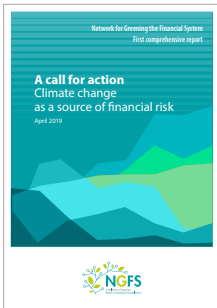
average daily settlement flows processed by Target2 (large value payments) in France in December 2019 (the equivalent of 1/8th of annual GDP)

HIGHLIGHTS 2019

APRIL

2 April: The *Haut Conseil de stabilité financière* (HCSF – High Council for Financial Stability) raised the countercyclical capital buffer rate from 0.25% to 0.5%.

17 April: The Central Banks and Supervisors Network for Greening the Financial System (NGFS) held its first annual conference.



<https://www.ngfs.net/en/>

JUNE

4-6 June: An exercise to simulate a cyberattack on the G7 financial system was carried out with the aim of assessing the communication protocol between the financial authorities. The three-day long exercise was coordinated by the Banque de France and involved 24 financial authorities from 7 countries.



JULY

4 July: Publication of the analysis of responses to the ACPR's public consultation on artificial intelligence. The feedback supported and enhanced the work currently underway alongside financial industry representatives.

ACPR (Fintech Innovation), *Artificial intelligence: challenges for the financial sector – responses to the public consultation on the ACPR's discussion paper*, December 2018, analysis of responses, June 2019.



<https://acpr.banque-france.fr/en/artificial-intelligence>

DECEMBER

20 December: The HCSF published a recommendation addressed to credit institutions regarding lending standards for residential housing loans.



<https://www.economie.gouv.fr/hcsf/les-recommandations-du-hcsf>

SERVICES TO THE ECONOMY AND SOCIETY IN 2019



MISSIONS

The Banque de France provides the general public with keys to **understanding the economy**:

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

The Banque de France **listens 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

The Banque de France acts as **banker to the French government**:

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

The Banque de France **provides help and guidance to businesses, especially small businesses**:

- guidance for VSEs and SMEs
- credit mediation

51,668

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

153,453

cases of overindebtedness handled
by the Household Debt Commissions

199,662

calls handled by the Assurance Banque Épargne Info Service
(ABE IS) telephone platform and by the AMF and ACPR

13,000

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

271,215

ratings assigned to non-financial corporations
(mainly SMEs)



4,638

VSE managers towards professional
organisations and networks

7,487

jobs saved or secured thanks
to credit mediation

2019 HIGHLIGHTS

MARCH

27 March: Signature of a framework agreement by the Governor of the Banque de France and the Chairman of the *Assemblée des communautés de France* (AdCF – Association of French Communities) under which the Banque de France will compile cartographic representations of data on businesses.

APRIL

3 April: Signature of a partnership agreement between the Banque de France Companies Directorate (DGE), the National Delegation for Employment and Professional Training, the Central Social Security Agency and the government Interministerial Digital Department to implement the “*Signaux Faibles*” (Weak Signals) scheme.

JUNE

27 June: Signature of a Charter for Trusted Mediation Third Parties, with the French Chamber for the Social and Solidarity Economy (ESS France) and the National Council of Regional Chambers for the Social and Solidarity Economy (CNCRESS).

SEPTEMBER

4 September: Launch of the first version of the *Mes questions d’entrepreneur* (MQDE) website, a national economic and financial education portal for entrepreneurs.

www.mesquestionsdentrepreneur.fr

OCTOBER

8 October: Expansion of the VSE correspondent scheme to SMEs: 102 correspondents at the Banque de France branches offer advice and guidance to VSEs and SMEs.



↑ “Our aim – to ensure all VSE managers can get answers to their questions”
Didier Lavigne, VSE correspondent in the Lot-et-Garonne department

NOVEMBER

25 November: Launch of the EDUCFI labelling scheme at the meeting of the Strategic Committee for Financial Education held at Citéco and chaired by the Minister for the Economy and Finance, in the presence of the Minister for Education and Youth, the Secretary of State for Solidarity and Health Care and the Governor of the Banque de France.

DECEMBER

End-December: 30th anniversary of Law No. 89-1010 of 31 December 1989, or the Neiertz Law, on the prevention and resolution of difficulties relating to the overindebtedness of individuals and families.

THE TRANSFORMATION STRATEGY IN 2019

3
COMMITMENTS

**DEDICATED
TO**



In Europe,

the central bank for financial markets, the benchmark in supervision and a leading player in the cash industry

For our management and staff,

a simpler, more modern working environment

In France,

a trusted and outstanding public service provider

**TO CONSTRUCT
A BANQUE DE FRANCE**



**efficient,
visible,
innovative**

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KEY TARGETS FOR 2020

FOR OUR STAFF

● At least **1,000 new hires** by end-2020, and 500 block-release contracts
A total of 1,144 new hires in 2019
A total of 567 new block-release contracts

● **200 internal promotions to professional/managerial roles** by end-2020,^{a)} with the aim of raising the proportion of staff in professional and higher categories to 35%. **184 new professionals/managers in 2019 in cumulative terms (35%)**

● **9,720 FTE end- 2020**
9,857 end-2019

● A rise in **confidence among staff in the future of the Banque de France**, above 50%
42% – Observatory 2018

FOR OUR PERFORMANCE

● Around **EUR 1 billion in investments** over 5 years, of which almost EUR 400 million for Ambitions 2020 and modernisation of the branch network
EUR 803 million for 2019 in cumulative terms

● Ensure all our **pension commitments are fully covered** in 2020, thanks to a strong financial performance
102% end-2019

● **10% reduction in the net expenditure** of our activities
End-2019 achievement –12.8%

FOR OUR INFLUENCE

● Steady increases:
• in the Banque de France's **visibility 58% at end-2018**
• in **customer satisfaction 86% customer satisfaction in 2020**

● Number of people benefiting from **economic and financial education**^{b)}
+ 19,039 social workers and teachers trained in 2019
+ 1,682,916 number of MQDA and Citéco pages consulted

● **Confidence of French citizens in the euro** at least stable compared with the European average and still above 60%^{d)}
72% in November 2019 in France (68% in November 2016)
76% as a European average (70% in November 2016)

● Target reached ● Target to be confirmed ● Target not met

a) Excluding the additional impact of the career reform plan. b) Measurement tools for this target were implemented in 2018.

c) This target naturally does not depend solely on the Banque de France and cannot be considered prescriptive. However, we feel it is important to monitor French citizens' confidence in our currency on the basis of the biannual Eurobarometer survey. Recall that the starting point is December 2015: 67% of French people support the euro; the European average is 68%.

THE BANQUE DE FRANCE BRANCH NETWORK AS AT 1 JANUARY 2020





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