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EBA test on European banks' capital requirements : French banks already above the 9% end of March 2012

The European Banking Authority has conducted an exercise to highlight possible capital shortfalls in order to address concerns over sovereign debt exposures, the terms of which were approved by the European Council on 26 October 2011.

71 institutions, chosen from among those already included in the July 2011 stress test, were submitted to the exercise which aimed at building a capital buffer for demonstrating banks' ability to withstand various shocks while maintaining an adequate level of capital.

Banks were required to meet a "Core Tier 1" target ratio of 9% by the end of June 2012, including an impact reflecting the market values of European sovereign debt exposures as of 30 September 2011. A methodological note has been published on the EBA website (www.eba.europa.eu).

French banks have submitted their capital planning beginning of 2012 to the *Autorité de contrôle prudentiel*, showing their ability to reach the "Core Tier 1" target ratio of 9% by 30 June 2012.

The final results will be provided in September but French banks already met the 9 % end of March 2012.

For the four French banks involved in the exercise - BNP PARIBAS, BPCE, CREDIT AGRICOLE and SOCIETE GENERALE - which represent over 80% of the French banking sector – the total capital shortfall amounts to EUR 7.3 billion end of September 2011. End of March 2012, the four banks showed a capital surplus of EUR 14.7 billion above the 9% "Core Tier 1" target ratio.

Christian Noyer, Chairman of the *Autorité de contrôle prudentiel* (French Prudential Supervisory Authority) welcomed these good results which will be confirmed with the figures end of June 2012. At least, the results achieved end of March 2012 showed the ability of French banks to reinforce their capital position and to continue lending to the real economy.

The detailed situation of individual banks is presented in appendix.

About the ACP: The ACP is an independent administrative authority backed by the Banque de France. It is responsible for authorising and supervising banks and insurers with a view to upholding their customers' interests and maintaining the stability of the financial system.

Appendix

Capital requirements resulting from the ABE coordinated exercise

	Situation as at 30 September 2011			Situation as at 31 March 2012	
	<i>Core Tier 1 ratio</i> (1)	<i>Capital shortfall relative to objective of 9% (EUR billion)</i> (2)	<i>of which buffer on sovereign exposures (EUR billion)</i>	<i>Core Tier 1 ratio</i> (2)	<i>Capital surplus relative to objective of 9% (EUR billion)</i> (2)
BNP PARIBAS	8.8%	1.5	2.5	10.0%	5.7
BPCE GROUP	8.1%	3.7	1.0	9.3%	1.0
CREDIT AGRICOLE GROUP	9.2%	-	-	10.4%	6.7
SOCIETE GENERALE	8.4%	2.1	-	9.4%	1.3

(1) The calculation includes the estimated impact of CRD3 and the buffer on sovereign exposures in accordance with the methodological note published by the EBA (www.eba.europa.eu) by reference to market values at 30 September 2011

(2) After the buffer on sovereign exposures