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### Supporting proportionate regulation and hastening sustainable finance policies

Retail banks have played a major role during the crisis (financing the economy, supporting State guaranteed loans, etc.) and will be key in facilitating the way out of the crisis, by financing recovery and investments.

However, banking models face severe challenges: persistently low or even negative market rates, new customer demands or reduction of the intermediation margin. The rapid growth of bigtechs/fintechs, which disintermediate major segments of the value chain, is also affecting their profitability. Furthermore, digitalization generates very significant costs, linked to the development of digital tools and self-care, and goes hand in hand with an efficient policy in terms of security (AML-CFT, cyber risk, fraud, etc.).

The weakened retail banking models must be less vulnerable to these risks: La Banque Postale has resolutely engaged in diversification since its creation in 2006, the most recent being the subsidiarising of CNP Assurances in March 2020.

This is why I consider the EU's political priorities to be the following:

- Slowing down of legislative measures,
- Reinforcing unified and fair European supervision
- Accelerating digitalization and sustainable finance policies

As European banks face a growing risk of paradoxical requirements and regulatory fatigue, unproportionate procedures should be limited and legislative initiatives need to be carefully assessed and selected. This is all the more true as prudential measures and the first steps of the Banking Union have been widely implemented in recent years. Reporting burdens, for example for non-performing loans or climate risk, should not be further increased nor duplicated between supervisory silos.

Likewise, taking into account European economic specificities in prudential regulation, ensuring a fair treatment between banking and non-banking actors for the same activities, and pursuing unified supervision at European level should be a concern of paramount importance as they are closely related to European sovereignty and sound international competition. This also means establishing a balance between market and banking finance through capital calibration and avoiding national gold plating or successive layers of supervision.

Finally, I see two major priorities in the years to come: digitalization and financing the energy transition.

Digitalization has been magnified by the pandemic and open finance responds to customer needs. But it should be clear that seamless user experience and widely connected tools be not detrimental to cybersecurity nor genuine control by the customer of its personal data.

The EU has rightly initiated a very active approach in the funding of energy transition. Such dynamic should lead to international leadership in building extra-financial reporting standards and fostering access to related data. This is a matter of sovereignty and reliability of information for end-users.

Consistently, these European ambitions should be shared by private and public actors in terms of green and transition projects. In dedicating €1.5 billion for green projects in 2020, targeting €3 billion in 2023 and supporting citizen responsible consumption, La Banque Postale aims to be a major actor of a fair transition for all, including containment of social inequalities.