

# MORGAN STANLEY CONFERENCE

13 MARCH 2024



**BNP PARIBAS**

The bank for a changing world

# DISCLAIMER

The figures included in this presentation are unaudited.

As a reminder, on 29 February 2024, BNP Paribas reported restated quarterly series for 2023, in particular to take into account the end of the ramp-up of the Single resolution Fund (SRF) as from 1 January 2024 and the assumption of a similar contribution to local banking taxes at an estimated amount around 200 million euros per year from 2024.

This presentation includes forward-looking statements based on current beliefs and expectations about future events. Forward-looking statements include financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future events, operations, products and services, and statements regarding future performance and synergies. Forward-looking statements are not guarantees of future performance and are subject to inherent risks, uncertainties and assumptions about BNP Paribas and its subsidiaries and investments, developments of BNP Paribas and its subsidiaries, banking industry trends, future capital expenditures and acquisitions, changes in economic conditions globally, or in BNP Paribas' principal local markets, the competitive market and regulatory factors. Those events are uncertain; their outcome may differ from current expectations which may in turn significantly affect expected results. Actual results may differ materially from those projected or implied in these forward-looking statements. Any forward-looking statement contained in this presentation speaks as of the date of this presentation.

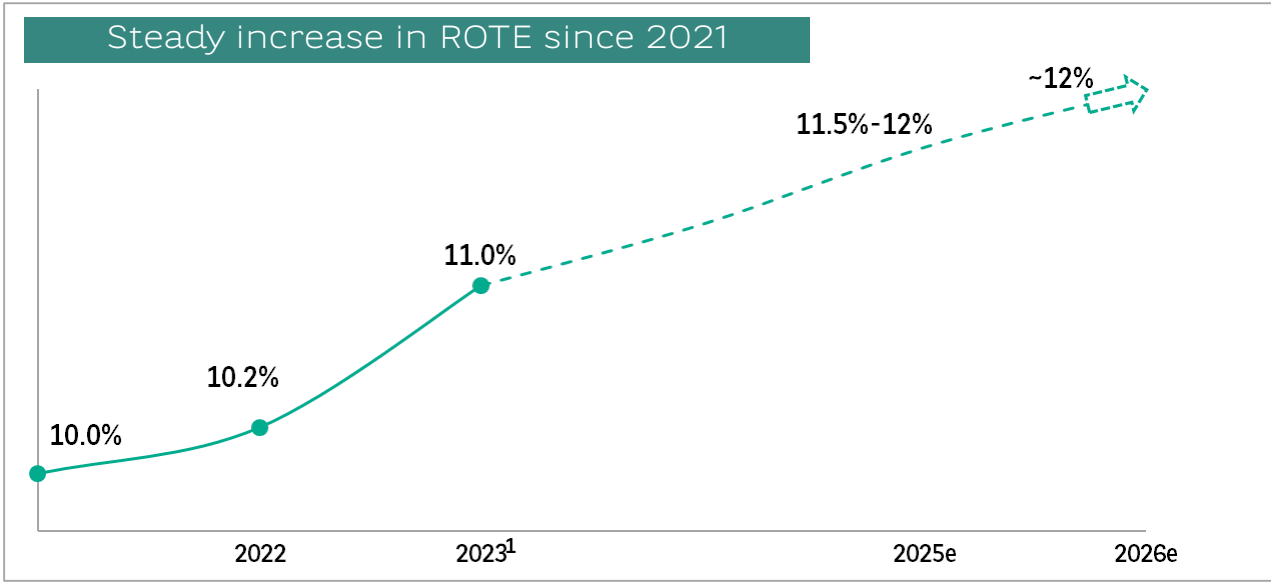
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The sum of values contained in the tables and analyses may differ slightly from the total reported due to rounding. The alternative performance measures are defined in the press release published with the 2023 full year results.

Detailed footnotes are at the end of the presentation.

# CAPITAL RETURN | 2024 Net Income will be higher than in 2023, in line with the Group's growth trajectory



Net Income<sup>2</sup>  
2024  
>  
Net Income<sup>2</sup>  
2023



## 2024 HEADWINDS

- Decisions by public authorities (ECB mandatory reserves, Belgian bond / tax) (post-tax impact in 2024: -€500m)
- Economic outlook in the Eurozone
- Normalization of used-car prices



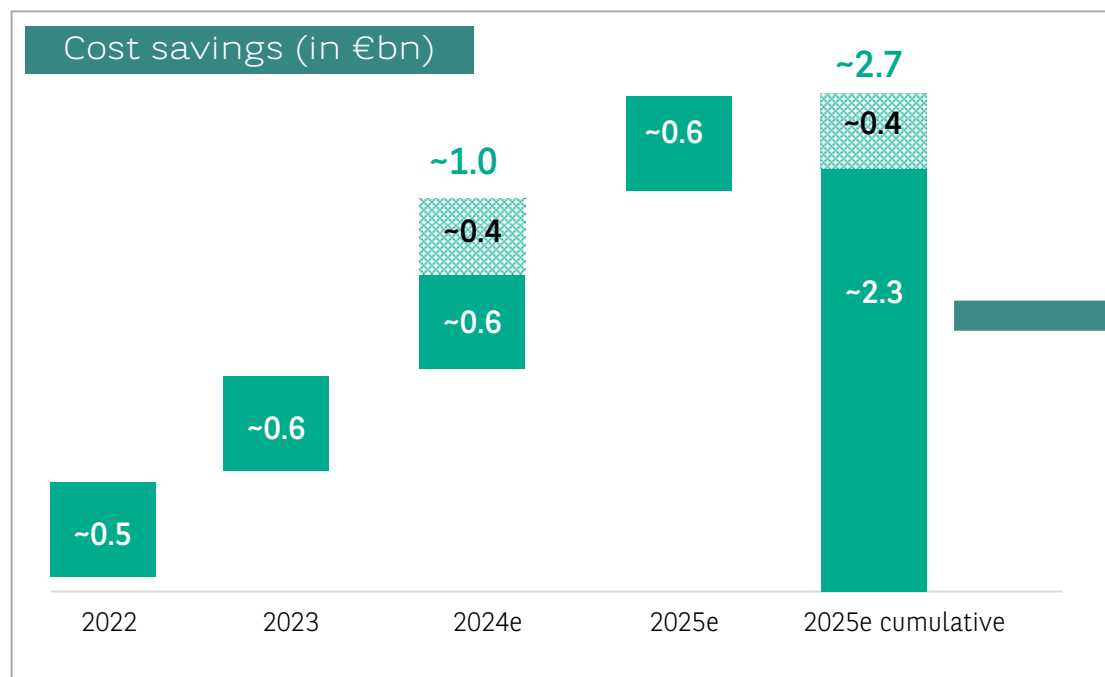
## 2024 TAILWINDS

- Acceleration and enhancement of efficiency initiatives (pre-tax impact in 2024: +€400m)
- Quality of the credit portfolio / Cost of risk over the cycle
- Capital deployed before H1 2024: 55bps (2025e ROIC<sup>3</sup> >16%)
- Decrease in short-term rates from H2 2024
- New Personal Finance: positive impacts on pre-tax income from 2024
- CIB market share gains without impacting capital allocation

Capital distribution ~€20bn<sup>4</sup> between 2024 and 2026



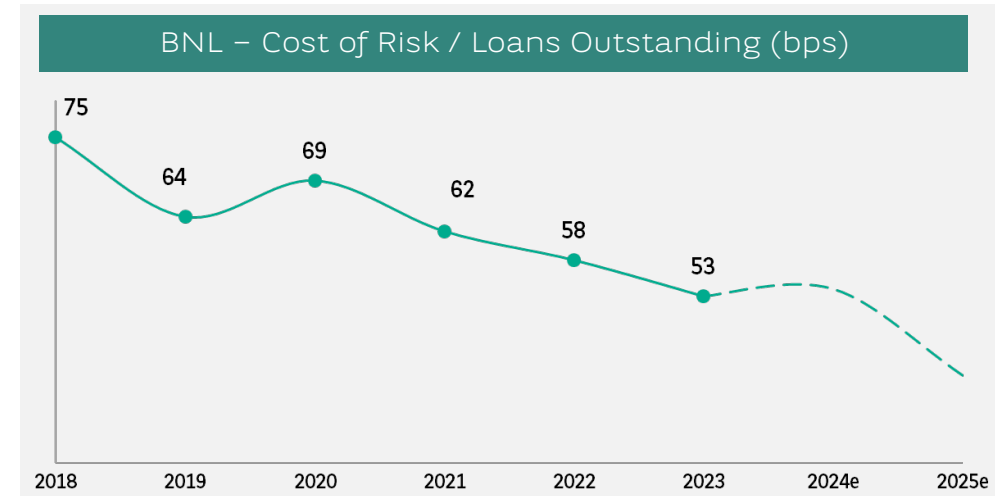
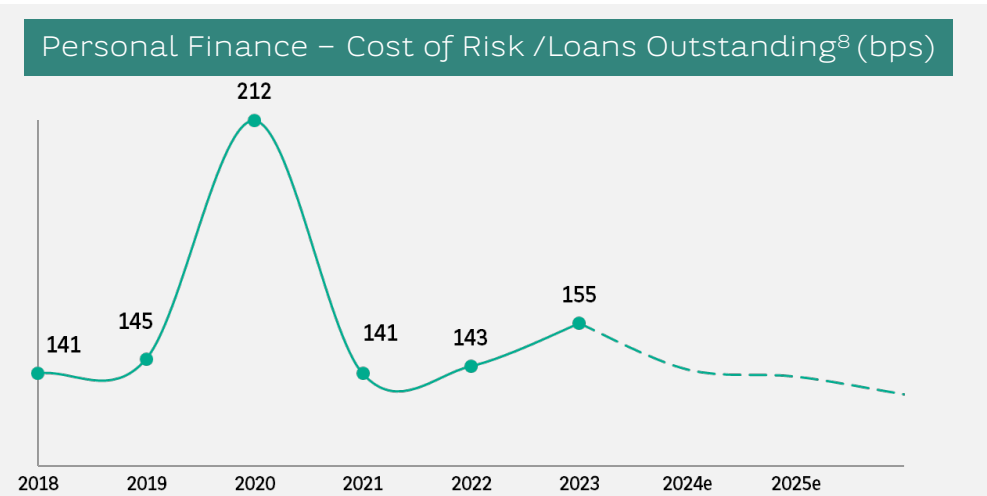
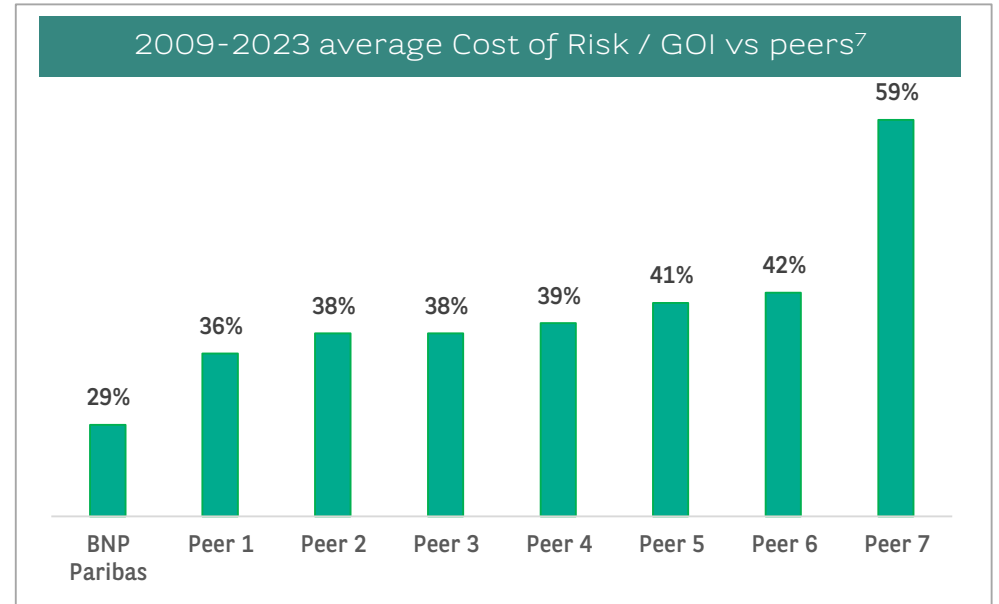
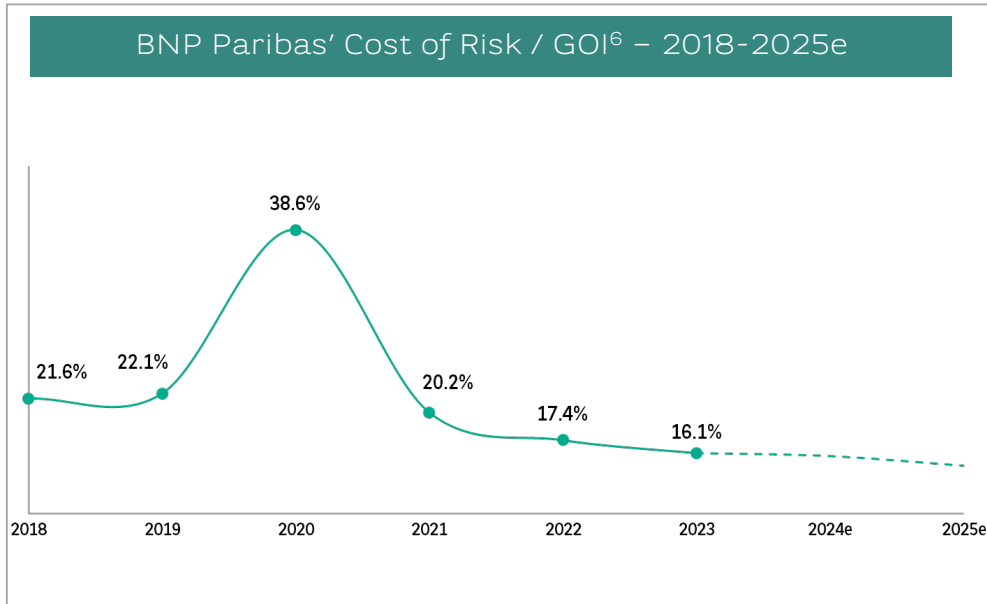
## EFFICIENCY | Acceleration and enhancement of efficiency initiatives with €400m in 2024



- Mutualization (Nearshore / Offshore)
- Automation / Robotization / Digitalization
- Acceleration in the rollout of cloud platforms and AI use cases
- Optimization and flexibility in premises
- Discipline in managing external spending
- Global sourcing enhancement

- Cost savings boosted by €400m in 2024 and totaling €2,700m in 2025
- Allocation by operating divisions: CPBS (56%), CIB (33%), IPS (11%)
- 2022-2025 jaws effect<sup>5</sup> > 2pts on average and positive each year

# COST OF RISK & CREDIT PORTFOLIO | Perpetuate our prudent and proactive risk culture throughout the cycle



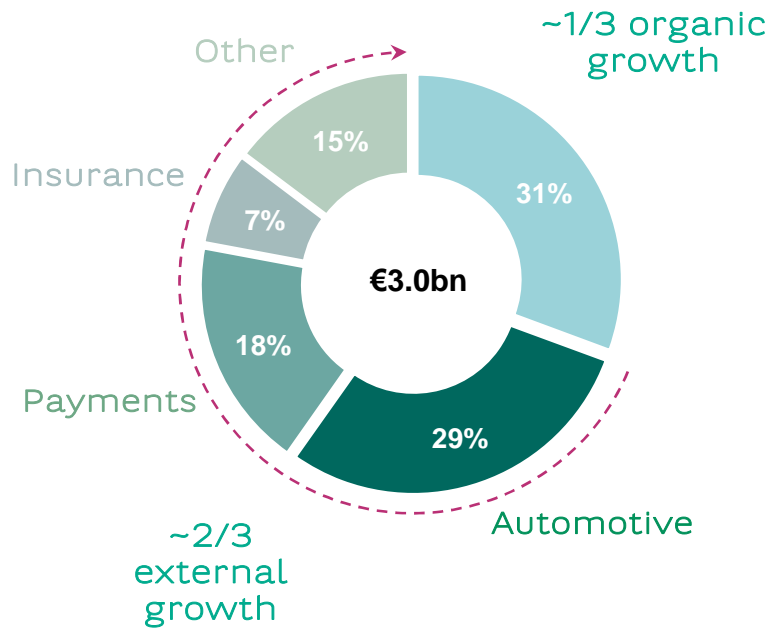
2025 target confirmed: **Cost of risk < 40 bps** every year

# STATUS ON CAPITAL DEPLOYMENT | Ongoing projects scale up our platforms with a 2025e ROIC<sup>3</sup> > 16%

Update as of 13 March 2024

- New projects (bolt-ons & organic growth) ~15bps CET1
- Total capital being redeployed by the end of H1 2024 ~55bps (50% of the total 110bps to be redeployed)
- 2025e ROIC<sup>3</sup> >16%

Capital already redeployed (~40bps)



Note: Capital amounts are based on normative equity at 12%

Automotive



Payments



Insurance

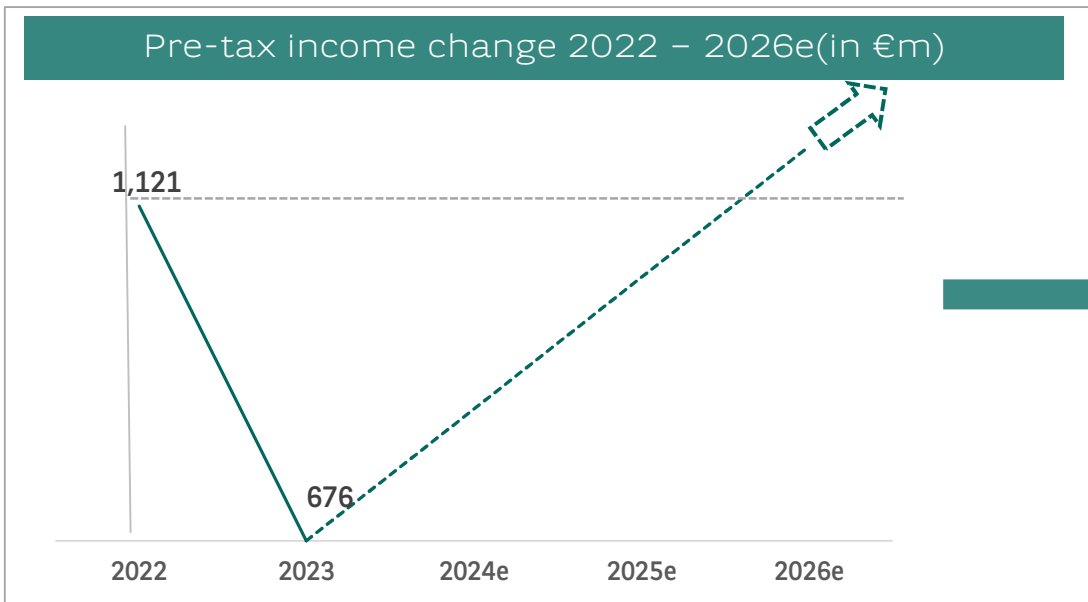


Other



- Partnership with **Stellantis** in 3 European countries (PF, Cardif and CIB)
- Partnership with **JLR** in 9 European countries (PF, Arval, Cardif and CIB)
- Increase from 20% to 25% of PF share in JVs with **Geely Group**
- Acquisition by Arval of 100% of **Terberg Business Lease Group** in NL and BE
- Acquisition of 100% of **Floa** on the buy now, pay later segment
- Renewal and expansion of the distribution partnership with **Magazine Luiza**
- Development of the JV between BNP Paribas Cardif and **JAB** dedicated to pet insurance
- Acquisition of 100% of **Kantox**, a leading fintech in currency risk management
- Acquisition of the remaining 50% in **bpost bank**
- Increase of our stake to 33% in the JV with **Bank of Nanjing** for consumer credit activities

# THE NEW PERSONAL FINANCE | Strategy & 2026 ambitions

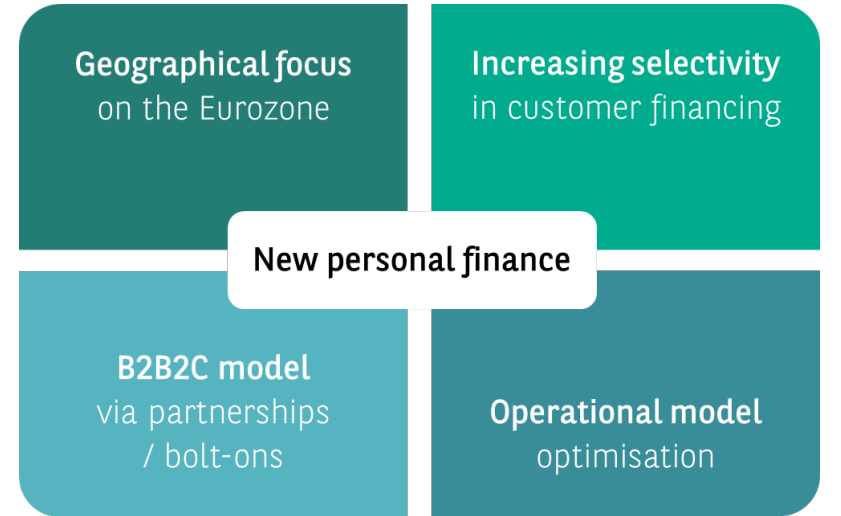


**Return on capital above Cost of capital<sup>9</sup> in 2026**

- Impacts of the new strategy focused on four priorities
- Decrease in short-term rates from H2 2024

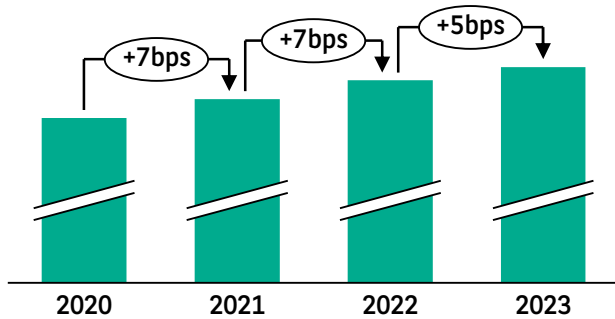
Targeted commercial development via partnerships<sup>10</sup>

Category	Partners
Mobility	JLR, STELLANTIS, GEELY, Ford, KIA, Inchcape, Van Mossel, GRUPPO AUTOTORINO SPA
Technology	Apple, orange, MÁSMÓVIL, currys
Energy transition	EDF, IBERDROLA, Efy, domofinance

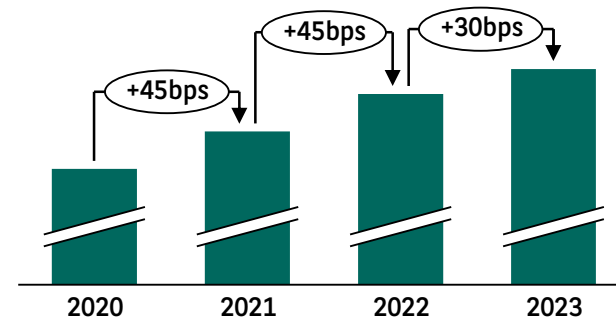


# CIB | Momentum in market share gains was sustained in 2023 without impacting capital allocation

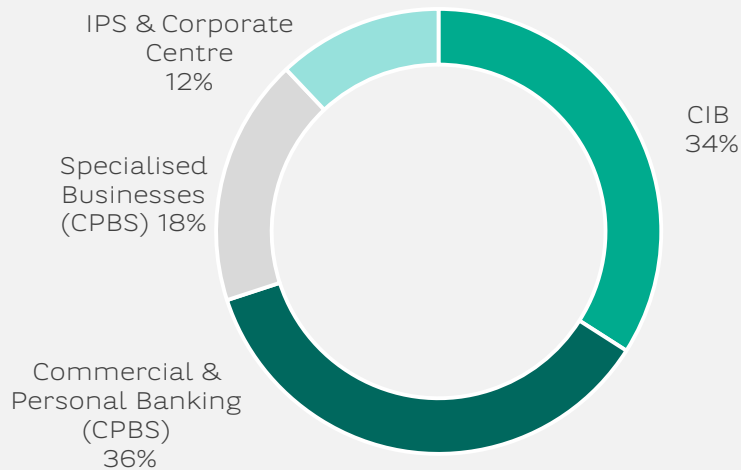
CIB market share<sup>11</sup>



Global Markets' share of peer banks' revenues<sup>12</sup>

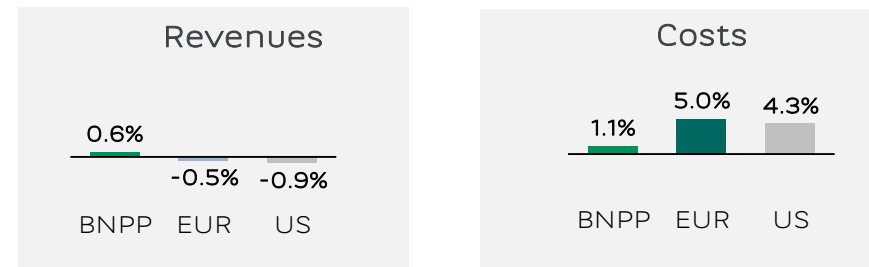


Basel 3<sup>13</sup> risk-weighted assets as at 31.12.23



Jaws effect vs peers<sup>14</sup>

YoY change of BNPP vs. peers, (in %, 2023 vs. 2022)





# LONG-TERM AMBITION | Continue our steady increase in ROTE thanks to our disciplined strategy

# 1

**Gain**  
market shares  
at marginal  
cost

- Prioritise** the best-positioned clients
- Scale up** industrial platforms
- Expand** cross-selling
- Provide** the right service to the right client with the right level of profitability

# 2

**Optimise**  
the cost of  
capital  
constraint

- Target** growth drivers
- Expand** fee-income businesses
- Invest** in Beyond Banking activities
- Strengthen** Originate-to-Distribute capabilities

# 3

**Adapt**  
to economic  
cycles

- Optimise** portfolios on an ongoing basis
- Maintain** balance in capital allocation
- Perpetuate** our prudent and proactive risk culture
- Divest** non-core businesses

# 4

**Support**  
the energy  
transition

- Adapt** to clients' needs with dedicated products
- Deploy** structures in each business line
- Invest** in training on an ongoing basis
- Stick** to our culture of engagement

# 5

**Invest**  
in people and  
in technology

- Reinforce** employee commitment
- Attract** and retain talents
- Invest** in technology and security
- Anticipate** AI-driven disruptions

## FOOTNOTES

1. Return on Tangible Equity, calculation based on 2023 Distributable net income
2. Group share. Distributable net income Group share for 2023
3. ROIC: 2025 estimated net income generated by the capital redeployed since 2022, divided by the corresponding estimated CET1 allocation
4. Based on the 60% pay-out ratio applied to the Net Income Group share after taking into account the remuneration of undated Super Subordinated Notes. Subject to the approval of the General Meeting and to ECB authorization (for the share buyback program)
5. CAGR 2022-2025 of Group revenues minus CAGR 2022-2025 of Group operating expenses excluding Bank of the West
6. Excluding exceptional items, excluding the contribution of Bank of the West and 2023 distributable base to reflect the Group's intrinsic performance post impact of the sale of Bank of the West and post ramp-up of the SRF (restatement issued on 29 February 2024) – Application of IFRS 17 and IFRS 5 standards effective 2022
7. Cost of Risk / Gross Operating Income vs. peers, based on press releases of Eurozone banks (BBVA, Credit Agricole, Deutsche Bank, Intesa San Paolo, Santander, Société Générale and UniCredit)
8. Personal Finance – Cost of Risk/Loans Outstanding: 2024e and 2025e data focused on Personal Finance core activities
9. Based on notional equity allocated to Personal Finance and implied Cost of equity of the business line
10. Examples of commercial partnerships
11. Source: BNP Paribas' FY23 reported revenues; Coalition Greenwich FY23 Competitor Analytics (preliminary) based on BNP Paribas' product structure; market share calculated as the ratio of BNP Paribas' FY23 reported revenues to FY23 industry revenues. CIB pool excludes Portfolio Management. Data relating to Coalition Greenwich is strictly confidential and not to be reproduced without the explicit consent of said party.
12. Market share gains are approximate to 5bps+/-; Source: Coalition Greenwich Competitor Analytics FY23 (preliminary); based on BNPP's internal revenues and taxonomy, with Global Markets scope excl. US Munis. Coalition Index Banks: BofA, BARC, BNPP (Private), Citi, DB, GS, HSBC, JPM, MS, SG, UBS. Data relating to Coalition Greenwich is strictly confidential and not to be reproduced without the explicit consent of said party; FY20 is adjusted to include Emden revenues and costs; FY21 is adjusted to include Emden costs and exclude Exane revenues for 1H21
13. CRD5
14. BNP Paribas analysis - Data in euros based on reported results, excluding SRF and bank levies; US peers include JPM, Citi, BofA, GS, MS and WF; European peers include BARC, HSBC, DB, SG, UBS and CASA

# CONTACTS AND UPCOMING EVENTS

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## 2024 Upcoming events

15 March	Universal Registration Document
<i>10 April</i>	<i>Quiet period begins</i>
25 April	1Q 2024 results
14 May	Annual General Meeting
23 May	Dividend payment (subject to AGM approval)
<i>9 July</i>	<i>Quiet period begins</i>
24 July	2Q 2024 results
<i>15 October</i>	<i>Quiet period begins</i>
31 October	3Q 2024 results