BNP Paribas

Deep Dive Commercial and Personal Banking in France

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List of main speakers	Company	Job title
Bénédicte Thibord	BNP Paribas	Head of Investor Relations and Financial Information
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Isabelle Loc	BNP Paribas	Head of CPBF
Maryline Anglaret	BNP Paribas	Chief Financial Officer, CPBF
Pierre Ruhlmann	BNP Paribas	Chief Operating Officer, CPBF

Operator

Good afternoon, ladies and gentlemen, and welcome to the BNP Paribas Deep Dive Call dedicated to Commercial and Personal Banking in France with members of the Top management of BNP Paribas.

Bénédicte Thibord, Head of Investor Relations and Financial Information

Good afternoon. We are delighted to welcome you to our fifth deep dive call dedicated to the launch of the new strategic plan for our Commercial & Personal Banking activity in France.

I now pass on the mic to Lars.

Overview | Speakers

Lars Machenil, Group Chief Financial Officer

Thanks, Bénédicte and good afternoon, everyone.

I am also pleased to welcome you, alongside Thierry Laborde, COO, Head of Commercial, Personal Banking & Services, to our deep dive call on Commercial & Personal Banking in France, CPBF. We are here today, together with Isabelle LOC, Head of CPBF, Maryline ANGLARET, CFO, CPBF and Pierre RUHLMANN, COO, CPBF.

Today, we will present our strategy to bring CPBF to our target of more than 17% pretax Return on Notional Equity, detailing our strong positioning, our key markets and our transformation to support our financial trajectory.

I now hand over to Thierry to take you through the key elements driving CPBF strategic plan.

Introduction | CPBF at the heart of CPBS roadmap

Thierry Laborde, COO, Head of Commercial, Personal Banking & Services

Thank you, Lars. Good afternoon to all of you.

Let me begin by positioning CPBF within the Group—and more specifically within CPBS—highlighting its strategic role and performance trajectory. As you know, CPBS accounts for about half of the group revenues and RWA but a lower than group average profitability at 12.7% RONE in 2024. CPBS leverages its leading business positions in Europe, in particular in Corporate and Private Banking, and plays a pivotal role in our integrated model, with cross-selling revenues with other business lines representing €12.1bn, 25% of the Group's revenues, and up by 8.2% from 2023.

CPBS confirms its strategic plan, despite headwinds such as a sharp increase in the rate environment which has weighed on CPBS's profitability.

In response, we are adapting with selected axis of focus: delivering the strategic roadmap for CPBF and Personal Finance with a focus on driving profitability to raise both entities' RONE to >17% by 2028. These actions will add 1 point to Group ROTE by 2028 of which 0.5% by 2026. We presented to you a couple of weeks ago the trajectory for Personal Finance. Accelerating the profitable growth in our specialized businesses.

Today, zooming in on CPBF, which accounts for about 25% of CPBS's revenues, we have decided to launch a new strategic plan. Why now? Because the rate scenario becomes more favorable for CPBF and the current environment is well-suited to transform our operating model.

As you will understand it during this Deep Dive, our growth and profitability strategy rests on three levers**,** strengthening our leading positions in the Corporate Banking and Private Banking segments with our exceptional franchises, repositioning our retail activities strategically and transforming our model, and improving profitability with targeted technological investments and efficiency levers.

I will now hand over to Isabelle Loc and her team who will elaborate on our strategy.

Introduction | New strategic plan to better address shift in clients' needs, improve profitability and adapt to the competitive landscape

Isabelle Loc, Head of CPBF

Thank you, Thierry and good afternoon, everyone. This new strategic plan for CPBF is designed to align with the evolving needs of our clients while enhancing profitability and navigating the competitive landscape.

I'm here on **slide 4.** Indeed, we have two fantastic assets that are our leading Corporate and Private banking franchises. On Corporate Banking, where we already are leaders, especially on Large & Mid-Caps, we want to be even stronger and grow our SME franchise. For Private Banking, we want to consolidate our leadership and accelerate our growth with digital private banking.

For retail banking, we want to propose a new business model, in a context of a French market dominated by volume-driven mutualist banks, acceleration of digitization and a rise of competition from online banks and neobanks. Here, our ambition is to (1) accelerate investments to enhance digital client experience, (2) upgrade our client franchise, focusing on delivering value, and (3) transform our coverage and operating model.

In line with our new business model and ambition, we are adapting the branding of our Retail Banking activity, which I will explain in more detail on slide 18.

Across our three businesses, we will improve profitability, with a focus on targeted investments in both Tech & AI and human expertise as well as on efficiency levers.

Our target for this plan is to consolidate our leadership positions in high value segments, offering best-in-class expertise, best-in-class quality of service, translating into an NPS above market average.

Introduction | CPBF strategic plan will raise profitability to >17% RONE by 2028

Isabelle Loc, Head of CPBF

Moving on now to **slide 5** for our financial targets.

Our aim is to reach a pretax RONE above 17% by 2028.

We anticipate for the 2024-2028 period a sharp rebound in revenues of more than 5% CAGR, not necessarily linear but strong every year starting in 2025. NII will overtake fees as the main source of revenue growth. We will also have disciplined cost control as we intend to offset the impact of inflation by Net Cost Savings. Overall, this should lead to a jaws effect between 3 and 4 points on average over the plan. Cost of risk is to remain below 25bps, starting from a high in 2024 due to a specific file.

RWA are to remain under control with a CAGR of 2% as we reallocate capital towards highly profitable activities, such as Corporate and Private Banking.

Introduction | CPBF is the Group entry point for high-value segments and a key contributor to Group cross-selling

Isabelle Loc, Head of CPBF

Let me now give you an overview of the business in **slide 6.**

We have a unique positioning on the French market as CPBF is the Group entry point for high-value segments. These account for around 70% of revenues, thanks to number one positions on Corporate and Private banking and two complementary Retail brands: BNP Paribas and Hello bank!. CPBF is also at the heart of BNP Paribas integrated model and a key contributor to the Group's cross selling revenues with nearly a quarter of Group cross-sell, or about €4bn in 2024.

I will now hand over to our CFO Maryline Anglaret.

Introduction | CPBF attractive offer fuels fee generation and ability to collect deposits

Maryline Anglaret, CFO, CPBF

Thank you, Isabelle, and good afternoon, everyone.

On **slide 7,** you will see that our model is based on our ability to attract clients' assets throughout the cycle with a roughly 5% CAGR increase since 2019, including a strong performance of life insurance. Around 50% of customer funds are off-balance sheet resulting in elevated fee generation capability. Fees account for about half of our revenues and are well balanced between on one hand the day-to-day recurring fees such as payments, cash management and banking services, and on the other hand, more volatile fees but offering strong growth prospects such as life and non-life insurance fees and financial fees.

Introduction | Change in market dynamics cut the profitability rebound short

Maryline Anglaret, CFO, CPBF

Let me now turn to **slide 8** and summarise the challenging market conditions that triggered the need to accelerate our transformation. Immediately post Covid, profitability was improving towards acceptable levels but the sharp rise in interest rates and a change in customer behaviours cut short the profitability rebound.

While we outperformed the market in NII generation and managed to improve the cost-income ratio since pre-Covid, the profitability level is still not satisfactory enough and not consistent with the Group's standards. Many of you know the reasons why NII was under pressure, and we remind them on the bottom right.

Financial Trajectory | CPBF RONE trajectory is supported by revenue rebound and discipline across the board

Maryline Anglaret, CFO, CPBF

Slide 9 summarises our trajectory which Isabelle presented earlier, namely: more than 5% CAGR revenue growth. Years 25/26 and 26/27 should be above. 3-4pts jaws effect on average over the plan, limited cost of risk below 25 bps and limited 2% CAGR RWA growth with a focus on the most profitable activities.

I will now present each of these building blocks in more detail.

Financial Trajectory | CPBF strong revenue growth will be significantly helped by anticipated NII rebound

Maryline Anglaret, CFO, CPBF

If we focus on revenue generation on **slide 10,** you can see that we expect fees and NII to grow at a broadly similar pace this year. But starting in 2026, NII should significantly outpace the growth of fees. This is largely due to the fact that non-remunerated, and to a lesser extent savings accounts, will benefit from the delayed impact of higher rates. The main driver of NII is the amount of non-remunerated deposits which are largely invested on various tenures averaging 5-10 years. In our trajectory we assume a stable deposit mix following a sharp deterioration of our mix over 2022 to 2024 where current accounts represented nearly 70% of our total deposits and now account for about half.

Our targets are based on reasonable assumptions of volumes and rates that you can see here, and we provide sensitivities so you can build your own scenarios. Just a point, the long term rates indicated here are the ten-year swap versus Ester. These assumptions are in line with current market forecasts.

Financial Trajectory | Costs: jaws trajectory achieved thanks to the transformation of our model

Maryline Anglaret, CFO, CPBF

If we now move on to **slide 11** for the costs' component of our plan, we could define it as ambitious to fund our strategic priorities, dedicated to generating strong positive jaws effect of 3-4 pts and respectful of our social contract with employees. Our cost plan is based on several net cost savings but also on investments and transformation.

Let me detail our main initiatives. If I start with our cost savings ambition, it will be based on optimisation of our cost base. This will come from streamlining the central functions, continuing to optimise our real estate footprint. We now have 1,545 branches, down significantly from ten years ago and while we are a relatively small network in France, we intend to continue to adjust the size of the footprint to clients' needs. Indeed, since Covid, the behaviour of our clients has changed, and we must continue to adjust to these changes. We will also control more tightly external expenses with reinforced governance.

Our cost savings ambition will also come from mutualisation when we can. For example, with our ATM network or our partnership with BPCE on card payment processing which will reduce costs of the 17bn transactions both groups generate annually by approximately 20%. We are working on other initiatives that will be unveiled at a later stage.

And finally, we will continue our industrialisation and tech efforts. We will reduce our cost to serve through client selfcare, continue the improvement of our back offices and enhance AI and digital capabilities to provide our customers with both a seamless experience between our various channels while giving them access to our best-in-class product offering.

But beyond our cost savings there is also a significant ambition for growth and investments. This will involve leveraging more on our CIB and Wealth Management platforms, accelerating digital client acquisition and enhancing the expertise in our branch network.
These investments are included in our trajectory, and we anticipate an annual reduction in FTEs of 2.2% to 2.5% over 2026 to 2030, without departure plan. Regarding 2025-2026 there will be a net reduction, but we are currently discussing with the works council and cannot provide details at this stage.

Financial Trajectory | Prudent risk management limits volatility throughout the cycle

Maryline Anglaret, CFO, CPBF

Let me now discuss the outlook for our cost of risk on **slide 12.** We expect the cost of risk to remain within 25bps annually throughout the plan, marginally down in 2024 which had one large specific file. Our track record shows little volatility and a low level, with very few years outside of the 15 to 25bps range. The low level is on one hand due to the fact that mortgages and the private banking customer base have a cost of risk of around 5 bps or less, but also on the other hand thanks to our positioning on clients with stronger growth prospects. Around 70% of our corporate exposures are Investment Grade. As it is the case for the Group as a whole, we have a good sector diversification which limits concentration risk.

I'll hand over to Lars to discuss our RWA trajectory.

Financial Trajectory | RWA optimisation to partly offset supervisory pressure and fund our strategic priorities

Lars Machenil, Group Chief Financial Officer

Thank you, Maryline. Indeed, our RWA trajectory if I synthesise it assumes a 2% CAGR growth over the period with 4 main levers. Let's look at all four of them.

First, our capital will be allocated to areas within CPBF with stronger growth prospects and high ROE. This includes our Private bank or our Private Equity business, BNP Paribas Development, which generate a RONE above 20%, but it also includes our corporate franchise. Together these segments will absorb most of our organic growth. So that's the first lever.

And if you look at the second lever, it is the amplification of our optimization efforts via SRT or credit insurance and this within the existing regulatory framework. Which means the underlying RWA growth will be minimal. The recent proposals by the European Commission on SRT go in the right direction and we await finalisation of the discussions before being able to finetune our ambition and properly step it up. So CPBF has been a significant contributor to Group savings to date, with about €10bn at the end of 2024, or about a quarter of the €42bn achieved at Group level.

Obviously, the mortgage book is not ripe for securitization given thin margins, but our Corporate exposures are. So that's the second lever

The third brick is operational risk. As you know under CRR III, the so-called Basel IV or finalisation of Basel III, operational risk is now driven by revenues and is rather mechanical. Given our revenue ambition, we anticipate that operational risk will increase impacting the growth of RWA by 40 basis points annually.

And so the fourth and final is that we have modelled some regulatory impact which we flagged in our group trajectory at the beginning of the year. We announced that we anticipate that there would be some inflation from the regulatory point and part of it is anticipated to be within CPBF. Overall, we assume that this should represent about half of the overall increase in RWA. While the number is significant for CPBF, it represents the equivalent of 7 bps of Group CET1 cumulative over four years, well within the capital planning we showed in February. A significant part of this impact is expected this year and next.

These are the four levers which should lead to a CAGR of 2% over the period. I will now hand over to Isabelle for CPBF business priorities.

Strategic Priorities | Corporate Banking – reinforce our leading positions on Large & Mid-Caps and grow SME franchise

Isabelle Loc, Head of CPBF

Thank you, Lars. I will now detail our strategic priorities for each of our businesses, starting with Corporate Banking on **slide 14.** We want to pursue our winning strategy, particularly our commitment to maintaining our leadership in the Large and Mid-Cap segments while accelerating growth on the SME franchise. Our remarkable 97% penetration rate in the SBF 120 is an excellent position to leverage from. This highlights our unique integrated model, that allows us to support our CPBF clients in their international expansion with the support of our extensive presence over 50 countries and accompany our CIB international clients in their development and investments in France, in a One Bank approach.

The second pillar of our strategy focuses on scaling our expertise platforms. Indeed, we have strong sector expertise. Beyond strategic areas such as defense, we are clearly a number one player with innovative companies, that we want to support with an objective of more than 5,000 clients by 2030, in particular fast-growing AI companies. We offer our Corporate clients a full-fledged service leveraging on 900 bankers and 350 experts within 39 business centers throughout France, complemented by 65 innovation centers. In addition, we will also leverage on BNP Paribas Development, our Private equity business with high return prospects. In terms of profitability, the objective is to accelerate growth at marginal costs.

Three major drivers: First, maintain our disciplined approach to capital consumption and focus on increasing the share of recurring fees on businesses such as Transaction Banking and Insurance. Second, leverage data and AI and continue our tech investments and the automation of our key processes. This plan relies on robust expertise to remain a number one player in France on Corporate Banking ranging from Investment Banking Advisory to Transaction Banking, and in particular on league tables that we share with CIB of number one on each of these segments, M&A, ECM, DCM, Loans, Cash Management and Trade Finance.

Strategic Priorities | Private Banking – Consolidate our leading position and accelerate digital business

Isabelle Loc, Head of CPBF

Now on **Slide 15.** So, in Private Banking, we are also number one in our market with €139 billion AUM in 2024 and expect to grow by over 5% CAGR by 2030. In 2025, we also won several Best Private Bank awards in France, as well as four other Euromoney awards for (1) Best Private Bank for NextGen, (2) Discretionary Portfolio Management, (3) Alternative Investments and (4) Investment Research.

Our growth is coming from several areas, and all reflect our integrated model. First, external client acquisition on upper affluents, multifamily offices and private holdings. Our expertise in CIB, Wealth Management and the upcoming acquisition of AXA IM will deliver significant added-value products and services. This should enhance our positioning towards clients, for example on Discretionary Portfolio Management for which we aim to collect more than €12 billion AUM by 2030. Secondly, and in synergy with Corporate Banking, we will target Entrepreneurs to offer them Private Banking solutions. And lastly, a unique ability to accompany our clients in their growth journey with a regular upstreaming of our retail clients. In 2024, we upstreamed 7,300 households to Private Banking, illustrating also the quality of our Retail franchise.

We will also accelerate our digital business and tech investments with two levers. First, with an acceleration of our e-Private relationship model, targeting clients looking for full remote interactions, autonomy, on-demand expertise, with dedicated private bankers and experts available 6 days a week.

Second, with Tech investments for targeted marketing, ultra personalized advisory, and a new Wealth Management IT platform to offer dedicated investment and financing solutions for our high and ultra-high Net Worth Individuals.

Strategic Priorities | Retail Banking - Transform our model

Isabelle Loc, Head of CPBF

Let’s move to **slide 16** for our Retail Banking transformation which is threefold. First, we will accelerate our digital business, supported by Tech investments in our Mobile Apps and digital journeys for client onboardings, sales, and daily banking. We aim at tripling our digital client acquisition to reach over 700K annual onboardings by 2030, and to multiply our digital sales by 10. Second, we will refocus on delivering value and expertise to our clients. We will continue to grow the portion of Affluent clients (starting from 32%, which is already quite high in the market) and capitalising on our Private Banking expertise, while pursuing our investments in dedicated and highly trained advisors. The third part is the deep transformation of our coverage and operating model to fit with our client needs.

And, let me start with how clients use our banks today. So: in 2024, nearly 1 billion digital connections through the App, 40 million remote connections, and only 1.5milion in-person meetings in a branch. Our aim is to offer BNP Paribas brand a (1) high performing digital end-to-end daily banking, (2) a responsive support with customer service and (3) for high expertise needs, a dedicated highly trained advisor. This offer will be complementary with our full digital offer at Hello bank!

As our coverage model is evolving, we will also continue to adapt our branch network, keeping in mind we have one of the smallest networks in France already. Our goal is to secure the right level of expertise in each branch, which requires a critical size. Our target is to have two thirds of our branches with at least 5 people. All in all, this new Retail value proposition will enable us to address rapidly evolving clients’ needs, upgrade our client franchise and grow revenues, while reducing our cost-to-serve.

Strategic Priorities | Retail Banking - Fully leverage the commercial & tech advantage of our digital brand Hello bank!

Isabelle Loc, Head of CPBF

On **slide 17** we present how we will fully leverage the commercial & tech advantage of our digital brand, Hello bank!. Hello bank! was launched in 2013 to address clients with full digital autonomy. It reached last year the 1 million client milestone and this year we will also reach a positive operational Gross Operating Income by the end of 2025. This includes client acquisition costs and excludes internal indirect costs.

Our ambition for Hello bank! is to focus on value-driven priorities and reach more than 2 million clients by 2030. The same way Corporate Banking, Private Banking and Retail Banking are in synergy, Hello bank! is an integral part of our offer to support our clients at every step. Our key differentiator is our scalable platform: one single IT core banking system, with one IBAN for our clients throughout their lifecycle and fluid and digital client journeys across the Group to subscribe to Cardif, Personal Finance, Arval and so on.

Let me share an example of a client journey within the CPBF model: a student enrolls in Hello bank!, launches his or her start-up in an innovation center and moves to BNP Paribas to develop his or her family wealth. As the innovative company grows into a Unicorn, the company will be covered as a Large International Corporate and the Entrepreneur will be offered a private banking service.

Strategic Priorities | Retail Banking becomes 'Individual & Entrepreneur Banking' with a new outreach campaign

Isabelle Loc, Head of CPBF

So now on **slide 18**. As I mentioned earlier, and to be consistent with our new value proposition, we are changing the name of Retail Banking to "Individual & Entrepreneur Banking", placing our clients at the heart of everything we do. We recently launched and will gradually amplify a new outreach campaign, with a brand positioning that combines service excellence, transformation and high standards, with a new tagline: "*With you when your world changes».* To connect with high-value clients, we are rolling out a premium and mass media campaign, with a strong focus on both digital presence, on social media, and regional presence.

I will now hand over to Pierre Ruhlmann, our Chief Operating Officer.

Strategic Priorities | Accelerating our digital business through Marketing Tech investments

Pierre Ruhlmann, COO, CPBF

Thank you, Isabelle and good afternoon, everyone. So, moving on to **slide 19.** As previously mentioned, we have a strong ambition to accelerate acquisition and sales through digitalisation. To achieve this, we will leverage all Marketing Technology tools, to enhance client satisfaction and ultimately boost sales. This includes customer data: analyzing recent interactions, regardless of the channel, and adapting our offer accordingly; content supply chain: delivering relevant and efficient customer experience across all channels, both personalized and real time; conversational with "24/7" personalized exchanges, maximizing customer engagement; ad management: enabling more precise yet industrialized, targeted marketing campaign to ensure greater Return On Investment of each campaign; and last, digital journeys prioritising a Mobile First and sometimes a Mobile Only approach to elevate experiences. This includes seamless offerings from both the other Group entities and Partners beyond banking products

Assets | Our success will be driven by our Agile, Tech and AI capabilities to better serve our clients and improve efficiency

Pierre Ruhlmann, COO, CPBF

Moving on to **slide 20.**

Our success will be driven by our Agile, Tech and AI capabilities to better serve our clients and improve efficiency via three pillars. The first one, our organization is now operating at scale in an AGILE mode which enables us to deliver better, and faster, with a strong client-oriented mindset: covering 95% of our customer journeys and IT applications and over 2,500 employees. As a result, the Employee Net Promoter Score has improved by +12 points in H2 2024 vs H2 2022.

Secondly, our IT system has been modernized and is much more resilient: nearly all our applications are mutualized, our apps have been rationalized and hosted on private clouds, and the number of IT incidents has been reduced by about 20% since 2021.

Finally, the development of AI solutions remains core in achieving our strategic ambitions. Maturity is progressing, with a strong collaboration between business teams, CPBF IT, and Group IT, with the aim to elevate the role of humans in the value chain, focusing on expert tasks.

Assets | Focus on our AI capabilities

Pierre Ruhlmann, COO, CPBF

Moving on to **slide 21.** To date, we have deployed nearly 60 AI use cases into production, with about 20 more currently in development, covering both traditional AI and generative AI. This has been possible thanks to our close cooperation between business teams, CPBF IT, and Group IT, as well as high-quality external partnerships (for instance, with Mistral AI). These use cases are defined using a value-driven approach: meaning they must contribute either to generating additional revenues, or improving our operational efficiency, or reducing cost of risk.

As shown on this slide, these AI use cases impact a wide range of processes. Let me highlight a couple of examples. IDP, which means intelligent document processing for mortgages, is a solution that reads data from documents provided by the borrower during the loan approval process—such as sales agreement or income statements, to ensure data integrity and reduce, of course, back-office workloads. Second one, fraud prevention, which identifies potentially unusual client transactions into real time to all of them and prevent fraud attempts such as wire transfer or card fraud.

Assets | Partnerships and mutualized platforms at the heart of our value proposition to secure profitable growth

Pierre Ruhlmann, COO, CPBF

Moving on to **slide 22**. Achieving our strategic ambitions will also depend on strengthening and developing our external partnerships. In securities services, for example with Crédit Agricole Titres since 2023 for custody activities. On ATMs: we will continue rolling out the cash services program, with Crédit Mutuel and Société Générale groups networks enabling to reduce costs but also to offer better coverage particularly in low-density areas and access to 3 times more cashpoints.

In Payments we have two major initiatives. A strategic partnership with BPCE Group to create a leading European payment processor, ESTREEM, able to handle 17 billion transactions per year, including 4.7 billion for CPBF.

We will continue developing the WERO digital wallet. The goal is to offer a multi payment solution with strong market potential as demonstrated by its recent adoption by Revolut. Last, partnerships with Gambit for digital financial advice and shared Wealth Management platform to meet the needs of our high-net-worth clients.

I will now hand over to Isabelle.

Assets |Our success will rely on the expertise and engagement of our people

Isabelle Loc, Head of CPBF

Thank you, Pierre, so now we are on **slide 23**. Our success will also rely on the expertise and engagement of our People which is core to our transformation, and we will count on everyone with no departure plan. We strongly believe in our ability to continuously adapt our expertise and pursue thorough strategic workforce planning.

Conclusion |We have defined a clear strategy to strengthen our leading position and deliver 2028 profitability target

Isabelle Loc, Head of CPBF

And to conclude on our strategic plan on **slide 24,** we aim to reach our profitability targets by 2028 thanks to NII and revenue rebound combined with strong discipline on capital, risks and costs, clear business priorities, leveraging and reinforcing our leading Corporate and Private Banking franchises, while deeply transforming our Individual & Entrepreneur business line. And last, by fully leveraging on our Agile, Tech, and AI capabilities, on our Partnerships and on our People to drive our transformation forward.

I will now hand over to Thierry and Lars for closing remarks.

Conclusion | PF and CPBF plans will improve their profitability to > 17% RONE by 2028

Thierry Laborde, COO, Head of Commercial, Personal Banking & Services

Thank you, Isabelle.

We are now at the end of our presentation.

We presented to you this month our plans for Personal Finance and CPBF which together should add 1% to Group ROTE by 2028, including 0.5% by 2026. These two divisions matter to us as they represent almost 25% of our RWA and they are one of the main drivers of our profitability improvements in the next few years. We hope that throughout the two deep dives, we demonstrated that our strong top line growth will benefit from significant margin improvement. The expected +5% revenue growth between 2024 and 2028 is a key differentiating factor. It is based not only on a more favorable interest rate scenario for both businesses, but also on the strong commitment of the PF and CPBF teams to generate the right level of activity with the right level of margins.

As part of the Group's efforts to generate jaws effect of 1.5 point in 2025 and 2026, these two businesses will contribute to a greater extent, to the tune of 3 to 4 points. Cost of Risk remains low and with little volatility and capital consumption is tightly monitored with disciplined origination and RWA optimization. Our journey to higher profitability at CPBS is built on the prioritization of our client needs, technology investments, and the disciplined financial trajectory while being respectful of our social contract with employees.

I will now hand over to Lars.

Conclusion | CPBF strategic plan is part of the Group's growth and profitability trajectory

Lars Machenil, Group Chief Financial Officer

Thank you, Thierry.

So, ladies and gentlemen, to conclude, BNP Paribas offers a strong defensive value profile, its diversified model—both in terms of business lines and sector/country exposure—is reassuring. What's new is that BNP Paribas is one of the very few banks in Europe where top-line revenue is expected to grow by more than +5% CAGR over the period 2024–2026. And top-line growth matters as you know and this marks a real shift compared to 2024, when comparisons with other banks who fully benefited from the rate environment through their Net Interest Income were more challenging. This growth trajectory is supported by key levers already in place in each division so that growth is basically in the wings of the bank. The success of the CPBF strategic plan is a major component of these growth ambitions.

With this, I thank you for your attention and I open to Q&A.

QUESTIONS AND ANSWERS

Operator: The first question is from Benoit Valleaux, Oddo BHF. Please go ahead.

Benoit Valleaux (Oddo BHF): Hi, good afternoon. Thank you for taking my question and thank you for the presentation. I have two questions related to retail banking, if I may. The first one is related to your footprint optimisation. You mentioned the decrease in the number of branches from 2014 to 2024. Do you have a target of a number of branches by the end of the plan? The press mentioned a decrease of 500. I mean you plan to decrease your number of branches. A link to that, but not only a link to the overall I will say the organisation of retail banking, do you plan to book some restructuring charges for the plan?

And the second question is related to Hello bank!. You've reached 1 million clients last year. You plan to have more than 2 million clients in 2030. Can you please share with us some profitability targets by the end of the plan? Thank you.

Isabelle Loc (BNP Paribas): Thank you. So, I'll start with the footprint of branches. As you mentioned, we don't have a target in the number of branches, but we have a track record of adapting already our branches. Keep in mind we are really starting from a point that is already low because here in **slide 16**, we are already one of the smallest networks in France and this network is really focused on high income areas, mostly urban, Paris-Lyon-Marseille for example. And we are committed to continuing to adapt our branch network to the use of our clients, but here we won't have a one-size-fits-all approach or a copy pasting model. We will adapt region by region depending on our client needs and use of our networks to determine that.

And one objective I can tell you is that we want to have most of our branches staffed with at least five people. Why do we do that? The first thing is we are convinced that's how we can deliver the best value and expertise to our clients, and for that, you need to reach a critical mass or critical size in each branch. And secondly, and this is something that I'm very attentive to: in terms of working conditions for our colleagues in the individual and entrepreneur banking, it allows them to have better working conditions, have less logistical issues and also probably have a bit more access to remote working. So that's for the branches.

You had another question on restructuring charges. As Maryline indicated earlier, I think it's there on **slide 11**, the transformation costs for the plan are fully allocated to CPBF. It's in the trajectory that we presented.

For Hello bank!, indeed we reached the 1 million client milestone last year and for 2025, I mentioned that we have a positive Gross Operating Income. As you can see, we have a real value driven strategy, and this is very consistent with I would say all our positioning within CPBF. It's value driven. We aim to have at least 2 million clients by 2030, but we are going to look at profitability and again we will not have just a number for client acquisition and a volume and pay high acquisition costs for them, for example. And secondly, we look at the potential for all the banks and CPBF in particular to accompany our client during his life cycle, so that's exactly the example I mentioned. Really when we look at the client, we also look at his potential to evolve between Hello bank!, BNP Paribas, or BNP Paribas Private Bank. So that's how we look at it.

Operator: The next question is from Pierre Chédeville, CIC. Please go ahead.

Pierre Chédeville (CIC): Yes, good afternoon and thank you for the presentation. I would like to come back on slide 10 regarding the evolution of that banking income. Regarding fees, because the graph is not very clear in terms of figures. Could you say that, for instance, fees would grow by less than, let's say, 2% compared to 3.5% for the last five years in average? And what would be the part of the increase of the NII, if we say, for instance, that your revenues will increase by €1.4 billion in the coming years till 2028, based on two thirds of private banking, for instance? Could we say that €1 billion could be on NII? And could you say a word regarding margin on credit because it's also your job to lend as far as I know?

And regarding the **slide 11**, if we do a little bit of maths, could you say that somewhere your cost income ratio, which is a very important ratio for analysts, could be in the range of 64% compared to 70.5% in 2024? Is it reasonable to target this kind of cost income ratio?

And regarding the FTE trajectory; is it a net FTE trajectory and is it just linked to demography - because you say there's no departure plan, so I guess it's just demographic? Thank you very much.

Isabelle Loc (BNP Paribas): Thanks a lot. So maybe I will first give you a few elements on fees and margin, and then I'll leave the floor to Maryline and then I will take you through the question on the FTE trajectory. So, on the fees, that's on slide ten, you can see that actually for revenues, the fees CAGR continues to be strong. Keep in mind that we have Corporate Banking and Private Banking who are already leaders in their markets and sustaining that level of increase in fees is already quite a performance in terms of commercial performance. So that's already quite ambitious.

In Individual and Entrepreneur banking, we also have boosters with the digital sales that I mentioned on **slide 16.** And all in all, also in terms of fees we are an important contributor to Group cross sell. There are also fees that are booked not only in CPBF but also in other divisions whether within CPBS or with IPS and CIB, so the level of fees that is being generated by CPBF as the group entry point for high value segments is actually quite high. And we do expect it to grow over time as we leverage even more on our great product factory. One catalyst is the AXA IM offer, which will offer even more opportunities in terms of synergies and cross-sell for fees.

And so, for the NII on credit margin. Again, the NII is going to grow significantly, and I will let Maryline elaborate on that, but in terms of credit it is part of our offer and our way to support our clients in their needs of course. But here we have taken very conservative assumptions on the margins because as we are present on high value customers, competition can be hard. So we really took very conservative assumptions.

And in terms of loan growth, we've also taken reasonable assumptions. And as you know, it's quite correlated to GDP growth. For example, for next year, the level of GDP growth from our economist department is at 1.1%. So that's, I would say, quite reasonable. And I leave the floor to Maryline.

Maryline Anglaret (BNP Paribas): Thank you, Isabelle. So, for fees, as reminded by Isabelle, fees generate around half of CPBF's revenues and come from several categories and so they are going to strongly increase in the year to come at a higher pace than the economic growth, but less than NII as you can see on slide ten on the chart top left.

So just to remind you of the breakdown of fees; fees are well balanced between several categories. We have around 30% of our fees which are financial fees mainly from our Private Banking and Corporate franchises, which are strategic targets. We have also another 30% generated by cash management and payment services; activities, which are strategic in the plan with investments like ESTREEM or Wero to improve our offer and consolidate our position in a very competitive market. We have also now nearly 10% of fees coming from insurance and protection, a key area of improvement in the years to come as we will grow on developing our offer. And the last 40% are our banking fees and are expected to grow as well.

For the credit margin in our trajectory, we have retained a reasonable assumption of loan growth with an average annual growth rate target of around 1% as we are focusing with a selective approach on the best value-added clients. And so, our targets are based on a conservative assumption regarding the economic environment.

For cost income targets, based on our financial trajectory with 5% CAGR revenue growth and around three to four points average jaws effect, our cost to income ratio is trending towards 60% by 2028. This is an improvement by ten points over the plan. And so of course, this improvement will be higher if revenues are stronger or jaws better of course. And so now for FTE trajectory, I let Isabelle discuss this point.

Isabelle Loc (BNP Paribas): Thank you, Maryline. So I stay on **slide 11**. So indeed the minus 2.2% to minus 2.5% FTE decrease on average each year from 2026 to 2030 is a net decrease. And how do we do that without a departure plan? So first, in addition to our strong change management capabilities, we have natural turnover as you mentioned, but it's not only retirement, it can be also regular mobility within the group. So that's one explanation. And the second is we have a culture of anticipating needs, analysing current and future trends.
As you mentioned, we have natural turnover, but it's not only retirement, it can be also regular mobility. That's also one of the strengths of the group with a diversified business model. So, in terms of career path, this is something that also has to be taken into account.

And second, we have a culture of anticipating needs, current and future skills, and so that's how we want to proactively support our transformation on these points. And this is something that we discussed with our social representatives, we discussed how we can within CPBF continue to support even more our colleagues in terms of upskilling and reskilling and also mobility; mobility from let's say client service to a branch or to Private Banking or to Corporate Banking. With this rise in expertise and especially in the Individual and Entrepreneur banking, we do think that mobility across businesses that is already working quite well will be even more increased. So that's for the questions.

Operator: So, the next question is from Delphine Lee, JP Morgan. Please go ahead.

Delphine Lee (JP Morgan): Yes, good afternoon. Thank you for this very interesting deep dive presentation. So, I've got two questions. So, on net interest income, if you don't mind just explaining a little bit better just the strong increase in the deposit margin that you expect. I think you mentioned that non-remunerated deposits are invested on five-to-ten-year tenures, but any more disclosure that you could help just to understand that part because clearly you've been conservative on lending volumes, on deposit growth, on margins, on the asset side as well. So, if you could elaborate on the deposit margin, that would be useful.

My second question is on the capital. So, the seven basis points of model impact of headwinds, do you mind just explaining a little bit where that's coming from, please? Thank you.

Isabelle Loc (BNP Paribas): Sure. So I'll give the floor to Maryline.

Maryline Anglaret (BNP Paribas): Thank you, Isabelle. I will comment maybe more in detail on **slide 10** regarding the NII evolution with just some points for you to better understand our trajectory. The NII main driver is the deposit mix. The 2028 CPBF trajectory is based on a reasonable assumption of deposit growth. Normally it's 1% CAGR and an almost stable deposit mix. At constant volumes and stabilised interest rates, the key driver of the coming NII increase is the absolute level in medium to long term rates. And consequently, in this scenario, the net interest margin should stabilise once the repricing is fully captured on the investment of deposits. And so, in this context and in our projection, the steepening of the yield curve has a positive effect on the price signal and helps stabilise the product mix.

I can add some points on this NII evolution and regarding the investment that we have shared. Our sight deposits are invested on a long-term basis. So, ranging from 5 to 10 years and on average it's 7 years. Under this assumption, the repricing opportunity for us is the difference between the spot seven-year rate and the seven-year rolling rate. It is about 100 bps. This would mechanically give an uplift of more than 100 bps on the deposits we invest, and so therefore between €1 billion to €1.5 billion of additional revenues seems realistic, all else being equal of course. And so this positive effect on NII growth will progressively slow down after several years in our projection.

And finally, thanks to our investment to support our clients and of course our transformation, our business lines will continue to collect deposits and originate credits, and our revenues growth will continue. So, it's my answer for the first point regarding the NII and the evolution.

And for the RWA, I'll let Lars answer.

Lars Machenil (BNP Paribas): This is an assumption that we have. There are several segments that are being reviewed, and this impact is basically what we see. So, if we take things – this is the mid-corp segment that is being reviewed. And so we take a conservative stance. We could have an impact on the RWAs on the modelling. There is not much more we can say. It's basically an ongoing review where we have taken a stance and as I mentioned that impact is taken up in the overall evolution that we announced.

Operator: The next question is from Flora Bocahut, Barclays. Please go ahead.

Flora Bocahut (Barclays): Yes, thank you. I would like to come back on the NII and again on the slide ten on the top left chart, that is very useful. Really the one question I still have is trying to understand first of all, the main driver of the net interest margin expansion because obviously you talked about I think the replicating effect on your deposits, the steepening of the yield curve, but maybe given you expect on this chart the NII will grow probably by a high single digit percent per year from 2026 on the volume growth, both on the loan and deposit side, that is only 1%. You expect significant NIM expansion. So, any other document you can give us to explain the drivers.

And the one thing I'm also trying to understand there is why you expect a certain acceleration starting in 2026 and could that even be the second half of this year? Thank you.

Isabelle Loc (BNP Paribas): So maybe just before handing over to Maryline to give you, I would say, more details, I don't know if there are more details actually, but to go over again the NII part, I just wanted to give you an indication. We have NII and fees and really if you just come back on **slide 9**, we have a revenue trajectory that is actually quite ambitious with this revenue growth above 5% CAGR and there you can see that it's non-linear with the top in the 2026-2027 so that also can give you more indication in terms of the absolute amount on which you can apply the NII and the fees part with the split that is indicated before. So, if that can be of any use. And I leave the floor to Maryline.

Maryline Anglaret (BNP Paribas): Yes, thank you Isabelle. So exactly it is very important to keep in mind that first the main driver of our revenues is the NII rebound. And we will have a strong growth every year over the plan. But not linear as you can see on **slide 9**. And regarding NII's main driver, it's the deposit mix. This is really the first driver. And we have a reasonable assumption regarding this. And I can share with you additional information regarding the sensitivity of NII. As you know our trajectory is based on a reasonable assumption of volumes and rates. And you can see on **slide 10** the rates scenario retained on our trajectory.

Concerning the rates scenario, we have simulated the negative impact coming from a parallel shock of minus 50 bps starting from today. The potential impact is increasing from around minus €100 million in 2026 to around minus €250 million in 2028. If we consider only a shock on rates of minus 50 bps for maturity up to two years while the long end rates stay at levels expected, the impact will be limited to one third of the previous one, so around minus €30 million in 2026. In case of a higher level of long-term rates of +50 bps away from today, while the short-term rates stay at the level expected in our scenario, the positive impact will be around two thirds of the global impact in case of a parallel shock of €70 million in 2026.

This reasonable assumption on interest rates confirms that the NII trajectory is sustainable, and it's a key component of the improvement of CPBF's trajectory. And so just to remind you, the main driver is the deposit mix.

Isabelle Loc (BNP Paribas): On your question for H2, so indeed H2 will be stronger than what you already have for CPBF in 1Q.

Lars Machenil (BNP Paribas): Maybe if I oversimplify that, if you look at it on the net interest income, it is basically depending on how we redeploy the non-remunerated deposits. That's also what you see on **slide 10**. So, if you assume that those non-remunerated deposits, we redeploy them over a bit the period of the loans, so somewhere between five and ten years. That means that out of the €120 billion of non-remunerated deposits that we have, there is around €10 billion that we redeploy. And then on that €10 billion that we redeploy, you apply the spread that you see on that same table. You can see the impact of it being redeployed in the longer term, with a spread, which is higher than that we have today. So, to simplify that's the main driver for the pickup in the rates.

Flora Bocahut (Barclays): Okay, that is very useful. Thank you. Can I follow up with another question actually on the Livret A assumption that you made as part of the plan, including obviously for the decision that is expected in three weeks and how big a driver this is for your plan?

Isabelle Loc (BNP Paribas): Thank you. So maybe before handing over to Maryline, let me first remind you that when you look at CPBF, we are only talking about a very small fraction of our revenues because when you look at our overall revenues, we have Private Banking, Corporate Banking and Individual and Entrepreneur banking. And even within Individual and Entrepreneur banking, the portion of assets of our clients that are invested in regulated savings is actually I would say not dominant. So, we are really talking here about a very specific point. And we have only 5% market share in Livret A but maybe Maryline, you can answer on that question.

Maryline Anglaret (BNP Paribas): Yes, thank you, Isabelle. And so exactly we have a limited market share of only 5% for Livret A and so we presented an amount of around €30 billion. Considering inflation and interest rates hedges, the total impact of this evolution is not material for us assuming the regulatory official formula is applied. And the upcoming evolution of the fixing is already integrated in our trajectory.

Operator: The next question is from Tarik El Mejjad, Bank of America. Please go ahead.

Tarik El Mejjad (Bank of America): Hi, good afternoon, everyone. I wasn't paying too much attention to this question, but following on Flora's question on Livret A. I understand the size of the contribution of this in NII, but on the way down all the pressure on NII among other things, Livret A was mentioned as a driver of weakness of NII. So, on the way down, I'm surprised you pointed to it as a headwind on the way with lower rates - it's marginal, but yeah, I'd like to hear about that asymmetry I would say in terms of sensitivity.

But my main question was actually on the costs because this is sizeable for the group. I mean when you say no departure plan and 2.2% to 2.5% decrease, can you share what proportion is internal transfer or from real departures because if it's just moving around staff, at the end what we want to see is your cost actually improving. And specifically, on this in France I want to understand the conventions or the agreements with unions when you do a plan, if there is by default no departure, because we hear some other banks are trying to break that kind of agreement in the banking sector. Is that something implicit or is it signed agreements in the industry? I would be curious to understand how that works.

And then the other question is on the loan growth. Again, if you were compared to other players in France, I mean there is a new production pickup in mortgages and also in other parts of the commercial banking. Is it that you don't see actually profitable growth, hence your cautious guidance, or is it a deeper strategy to focus on IPS, CIB and maybe other parts of CPBS? Thank you.

Isabelle Loc (BNP Paribas): Thank you very much. So, maybe I'll just come back on the loan growth and then I will hand over to Maryline on NII and then I'll take it back again on the FTE trajectory. So, on loan growth, we are a commercial activity. Of course we want to support our clients. If we say that we want to grow our businesses, we need to have some growth in our loans. So, what we're trying to say is that we have a disciplined approach to loan growth and that we don't have a specific target in terms of market share. What we do is we provide the right service and products to our clients when they need.

We will have some reallocation as I mentioned before in terms of resources, we will in priority allocate capital to profitable activities. So again, we mentioned Private Banking, Corporate Banking. Within Corporate Banking Lars has talked about BNP Paribas Development. It's a private equity like unit and the RONE is much above 20%. So that's an example of how we execute a disciplined approach on resources. And then for NII and Livret A, I hand over to Maryline.

Maryline Anglaret (BNP Paribas): Yes, thank you, Isabelle. So, for headwinds and Livret A indeed, the evolution of NII in the past has been affected by headwinds, which has had an impact on the past years. And as you probably remember, we disclosed two headwinds: inflation hedges and mandatory reserve for CPBF. Regarding inflation hedges, inflation hedges were booked in 2022 when inflation rose sharply and so in order to hedge the additional cost of a regulated savings accounts. Then in 2023 the French government chose to deviate from the formula, usually indexed on inflation and short-term interest rates. And so, while inflation was still above 6%, the French government kept the remuneration of Livret A at 3%. Consequently, during the last three years there was an impact on P&L due to inflation hedges. Now it's no longer the case as inflation has decreased and is now stable and the formula was applied in last February without any deviation and should be applied as well in August.

Isabelle Loc (BNP Paribas): Thank you, Maryline. And so in terms of costs, again I reiterate, these are net figures for FTE trajectory. And it's not only moving around people. We don't see those things in that way in any case. And so these are net trajectory and all in all, it generates a strong jaws effect of 3 to 4 points over the duration of the plan. This is quite a significant improvement I would say. And in terms of proportion of internal mobility, we're not going to disclose that, but again to give you some elements. So Private banking is growing; Corporate banking is growing. We said that we want to accelerate on SME growth. For SMEs, to cover them, you need proximity. So that will be in the regions, in the Corporate banking centres. So, these are elements of growth.

In Individual and Entrepreneur banking, we also said that we wanted to have a higher level of dedicated and highly trained advisors. So these are the regions where we want to invest and of course to have a net decrease that means also that some departures will not be replaced and we will also have efficiency gains and that's what Maryline and Pierre also described to you earlier. So all in all, this cost trajectory leads to this 3 to 4 points jaws effect over the duration of the plan.

And then in terms of social pact. So we've presented our plan to our social representatives in March. And now we are rolling out and discussing the implementation in all the different regions. So that's where we are. And we are again discussing how we are going to support our people in this plan that is a development plan.

Operator: The next question is from Stefan Stalmann, Autonomous Research. Please go ahead.

Stefan Stalmann (Autonomous Research): Yes, good afternoon. Thank you very much for taking my questions. I have three, please. This is the first one on business mix. You have actually quite a large share of revenue from large corporates, about 25% to 30% according to your pie chart. Could you maybe describe a little bit how the cut-off works? When is the client still in your business and when does it get promoted to Global Banking? And is that a very fluid relationship or is it very cooperative? I would be curious to get a bit more colour on how that works.

The second question on insurance, you show that about 8% of your fee income is from non-life and protection. One of your competitors discloses about 40% of its fees is from all insurance business. I was wondering if there's other insurance-related revenue also in your business mix beyond the 8%? And if not, are you happy with the current equipment rates in insurance or is there scope to do more on the insurance side?

And the final question on private banking/wealth management. Could you maybe describe a little bit how the cooperation works between your business and the wealth management division? Is the private banking business essentially a very local business driven by what you want or is it more a centrally managed business out of the wealth management division? And do you think this will change as a result of the acquisition of HSBC’s business in Germany? Thank you very much.

Isabelle Loc (BNP Paribas): Thanks so much for your question. It indeed gives me an opportunity to give you more details on Corporate banking. We cover the full spectrum of corporates within Corporate banking, and we operate in a very high level of cooperation with CIB and really, we represent only 13% of revenues of the group, but we represent a quarter of group cross-sell. We have this view that we need to maximise the input of our colleagues in other CIB or IPS departments.

And to be very precise I will give you a few examples. Whenever we have let's say a mid-cap that we accompany in the region, then you know if there is an IPO. As an example last year we reopened the IPO market in France. There is the coverage that is being done by CPBF, and we do - I would say most of the relationship within CPBF - before an IPO event of course we have the ECM teams who are there and who accompany the client in this key moment. And again, we want to maximise synergies and also we have this strong objective - we have 3 to 4 points of jaws effect. And we are not going to duplicate any type of expertise across the group. We want to be very efficient, and we are very conscious of where we can add value and how the combination is great for our clients. So this is true on mid-caps.

It’s the same thing on large cap. To give you also an idea on large cap, so we have regional dealing rooms. Some large cap companies’ headquarters are not based in Paris. So regionally they are covered by a dealing room. So, they can see their clients quite regularly and be very proactive for all their needs in terms of hedging, FX, flow, et cetera, but then in terms of deals execution and post-trade that is being done in the Global Market’s platform. So again, very efficient. So, we maximise not only cross-sell but also this type of synergies and costs across the group. So that's to give you an idea of Corporate Banking.

On insurance, we have ambitions to grow our part in insurance. We had especially with Individual and Entrepreneur banking the launch of the Prevoyance campaign that's very successful, so we do think that we can do even more of course. In corporate you can also see that in our ambitions we mentioned specifically insurance because again we do think that it's a lever of growth for us. And that will even grow further with AXA IM and the offer on long term savings. So really, I think the potential on insurance indeed will grow.

And for Private Banking and Wealth Management, it's a bit of the same thing than in CIB actually. So, if you look at Private Banking we cover the full spectrum of clients. So that's very classic that we have different segments from regional banking centres, but also Wealth Management and upper affluent / ultra-high net worth individuals. So there, how does it work? And I think this is something that's a key differentiator in the French market. We have regional Private Banking centres offering wealth management expertise. That means that if you're in a region, if you want to have access to a leader in wealth management, you don't need to go to Paris to have the offer. So again, we're able to deliver the full spectrum of wealth management and private banking to our clients in CPBF.

But of course, we will rely on mutualised experts, for example, that are in Wealth Management in terms of investment capabilities, expertise. And we will mutualise when this is efficient. And you mentioned rightfully the HSBC acquisition and that's why also we mentioned in our Private Banking part that we wanted to benefit from the Wealth Management platform for ultra-high net worth individuals. That's quite sophisticated and that’s directly related to this Wealth Management pan-European platform on which we expect to also have benefits.

Operator: The next question is from Giulia Miotto, Morgan Stanley. Please go ahead.

Giulia Miotto (Morgan Stanley): Yes, hi. Thank you for taking my questions and for this very useful presentation. I have two questions on the business and then a follow-up. So, you mentioned a couple of times BNP Private Equity Development. What is that exactly and why does a private equity business sit in Retail? Maybe I'm not understanding what it is.

Then secondly, separately, the cost income ratio that you are trending towards, the 60%, I know it's a big improvement, but it's still fairly below best in class in Retail businesses and I'm wondering could there be a further improvement if something changed in your tech infrastructure? What I'm trying to get to is how is your core banking system looking? Is there any plan anytime soon to change core banking systems?

And then my last question, and I'm sorry to go back to NII, but that is like the tenth. So, thank you for all the details you have provided so far. I just wanted a clarification on your hedging process. In my understanding, the sight deposits are replicated with an average maturity of 7 years – between 5 and 10 - but is that quite prescriptive or do you have a model replicating the behavioural duration of your customers because we have seen quite a fast rotation out of sight into term which I guess could reverse. So, I guess you have models on that and that impacts the duration of those hedges. So, I'm wondering do you also have a tail of shorter-term hedges to cover the side deposits? Thanks.

Isabelle Loc (BNP Paribas): Thank you. I'll start with BNP Paribas Development and then I'll hand over to Pierre to give you some elements on the IT systems and how it contributes to our cost income improvements and Maryline for the hedging process.

On BNP Paribas Development, first it's a small contributor to the overall revenues. It's just only a few percent of the revenues of CPBF in total. The reason why we are highlighting it is first as I mentioned that the level of profitability is way above 20% RONE. This is an activity that we want to develop over the plan duration. And what is it about? it's a private equity type of investment, but only in minority investment. And we like that approach because we do think that it enhances the intimacy with our clients and plus it's a very strong contributor in fees generation, in corporate driven generation, whether it's M&A, ECM, I mentioned IPOs or DCM, and we are a leader in France. Hence, we have a strong development ambition.

Another instance where BNP Paribas Development was involved. You probably saw a press release from the BNP Paribas group on defence and there BNP Paribas Development has supported French defence players for €200 million of private equity investment for I think 40 SMEs in the defence sector. So again, in terms of accelerating our growth in SMEs BNP Paribas Development is a strong contributor.

Giulia Miotto (Morgan Stanley): Can I just check? So, my understanding is that you have basically equity stakes in non-financial companies to support that development.

Isabelle Loc (BNP Paribas): Yes. And so, Pierre, do you want to answer on the IT part?

Pierre Ruhlmann (BNP Paribas): Yes, thank you for the opportunity. So, the strategy for IT is clearly to start to provide the right product to the right client for the right price. We have no plan to change the core banking system and the way it continues to get some mutualization within the group. Isabelle talked before about a kind of mutualisation with the wealth programme. And so clearly, we are going to be in this momentum in the next two years providing to the Ultra High Net Worth customers a new platform with a new services and bespoke products.

The second thing I could say in terms of mutualization, we continue to mutualize internally within CPBF. To illustrate this, more than 80% of our IT applications are mutualised within the CPBF business line. And maybe the last thing, it's clearly a key point for us. We continue to be very focused on resilience and modernisation also with the IT group. I talked about it before during the presentation about the strategy around application to be hosted in dedicated clouds or the second part is clearly to be more open to external services with the API strategy. So, the question is clearly more about that than finding a new core banking system.

Maryline Anglaret (BNP Paribas): And so, for the last point, on the hedging strategy, I can give you some elements to better understand. You must keep in mind that the hedging strategy at CPBF level is performed based on the average duration of our assets. And our credits are well balanced with an average between five and ten years. We have long term mortgage. We have medium term investment loans and other loans. The average duration of these loans is consistent with that of investments, and so the NII dynamic is mainly driven by deposit mix, so not-remunerated current accounts and saving accounts, and the applicable investment profile per deposit category.

And so in the specific case of current accounts, the investment profile is defined on a medium long-term basis to limit NII volatility. And contrary to other banks which benefitted from higher rates in 2022, the negative mix and price signal at CPBF more than offset the positive impact.

Operator: The next question is from Joseph Dickerson, Jefferies. Please go ahead.

Joseph Dickerson (Jefferies): Hi, thank you for taking my question. Sorry to belabour the NII point, but just in layman's terms or simple terms because you do show quite a bit of growth notably in 2026 in NII where it makes a step change, what's effectively happening here in layman's terms? Is it that the lowest yielding elements of the replicating portfolio are falling out so that the 2020-2021 type of maturities, which could have even been in some points negative - is that effectively what's driving that? Those deposits combined with the absence of a mix shift headwind? Thanks.

Lars Machenil (BNP Paribas): In synthesis, yes.

Joseph Dickerson (Jefferies): One-word answers are perfectly fine with me. Thanks.

Operator: The next question is from Sharath Kumar, Deutsche Bank. Please go ahead.

Sharath Kumar (Deutsche Bank): Thank you for taking my questions. Thank you for the very useful presentation. So I have three questions including a few follow-ups. So again, sorry to come back on the deposit mix, when you say stable deposit mix assumed in the NII trajectory, do you mean it will be stable at the current level of 51% or is there a different number that is being assumed? That is the first one.

A second is a follow-up again on the previous question on private equity. In terms of the size of investments, are we talking about venture type or more mid-market companies which are fairly mature? Would it be also possible to get the total size of the investment portfolio?

And lastly, a question on slide 6, on cross-sell, I noticed that the cross-sell percentage has been more stable. Of course it's just two years, but do you think there is more scope to optimise or is it already at a good level that you're satisfied with? Thank you.

Isabelle Loc (BNP Paribas): Thank you. So maybe I'll let Lars answer the last question and then in reverse order. I'll take the BNP Paribas Development one and I'll let Maryline conclude on the deposit mix.

Lars Machenil (BNP Paribas): So just to be sure, can you rephrase your cross-sell question so that I give the right answer?

Sharath Kumar (Deutsche Bank): So, what I was trying to arrive at is if I see the cross-sell within the various segments, it is pretty stable. Of course, we are just talking about two years. So do you think this is already at an optimum level or there is more scope to optimise?

Lars Machenil (BNP Paribas): No, there is more scope in the sense that we will be stepping up the products that we can cross-sell. Take the example, if you look, a big chunk of the cross selling is originated in the IPS department and now with the bolting-on that will happen next week with AXA IM, we will step up this kind of products. We are basically having a heritage of bank insurance kind of products. We will now have also the more typical plain insurance products that go with it. And the cross-sell that is originating from this business is really high. If you look at it, insurance represent 10% of the pre-tax income, but it's basically a third of the cross sell. So that is one of the drivers how we will further step up the cross sell.

Isabelle Loc (BNP Paribas): So, on BNP Paribas Development, we are the leader in France and over the time we've invested around €2 billion in terms of amounts and it's quite diversified among large caps and mid-caps, I would say. So different states of maturity. But again, BNP Paribas Development is a good example of how we want to support our clients during their journeys. So, we are able to accompany them when they're small businesses, they grow into mid-caps, large caps and then large international clients. So, again, this is just an illustration of how we can follow our clients over time. Still, it's just a small fraction of the revenues that you have on slide six.

And so maybe Maryline on the deposit mix.

Maryline Anglaret (BNP Paribas): Yes, so for the deposit mix, we can go on **slide 10**. You can see on the graph the evolution of the deposit mix. And so now it's stabilising. The deposit growth will be around 1%. That is the assumption we have in our plan. And so, the evolution that you can see for 2025, we will keep the same deposit mix over the period of the plan. This is the main assumption we have and so we will benefit from the reinvestment of these side deposits.

Operator: The next question is from Andrew Coombs of Citi. Please go ahead.

Andrew Coombs (Citi): Good afternoon and thank you for taking my questions. One follow-up on the replication portfolio and then a broader question on NII please. On the replication portfolio, you talked about €120 billion of non-remunerated deposits that's largely reinvested at 5 to 10 years. Very simply, if you take that as the average maturity profile, the seven years, then you're talking about €17 billion rolling each year, but I think then later in the call a €10 billion number was referenced. So, should we be thinking about €10 billion to €17 billion per year being rolling and then being reinvested at that 100 basis point spread that you mentioned? Any clarity you can get there would be useful on exactly how much you expect to mature each year.

And then more broadly on NII, the second question, I think in essence what you have here is a margin over volume strategy. You've talked about 1% loan and deposit growth, but obviously over the last three to four quarters, your volumes have actually been pretty stable, even slightly down. So I guess the question is what's the trade off? Would you be happy for your balances to actually slightly drop below that 1% aim if it meant the margins were higher or are you very clear that you want volume growth here? Thank you.

Isabelle Loc (BNP Paribas): Maybe I'll hand over to Lars on the portfolio replication.

Lars Machenil (BNP Paribas): If I'm concise again intrinsically that's what it is. So, you've seen it. It's roughly the amount that you get, it's like around €120 billion sight deposits. And then that's a bit how we redeploy over that period. And of course, it's a bit phased in given some of the optimisation and the alignment with the assets. But intrinsically that is indeed the rational to apply.

Isabelle Loc (BNP Paribas): And maybe just a quick comment and you talked about trade-offs, so you perfectly understood us as we are value driven and not volume driven. However, we want to continue to support our clients during their projects and so we will remain competitive. We will do what is necessary to defend our franchise because we are again on high value segments, so we need also to remain competitive. But in terms of a trade-off we are more in value-add than on volume.

And maybe to conclude, I think this is a highly stimulating environment and again, a very good timing to launch this strategic plan. I do think that we have significant advantages over our competitors, a very strong client franchise which cannot be built overnight, and a robust product factory and cross-selling capabilities and a proven track record and ability to execute on our strategic plans.
So, I would like to thank you very much for having attended this presentation on BNP Paribas Commercial and Personal Banking in France and for your questions.

As you have heard, we have an ambitious strategic plan to sustain the development of our Leading franchises in Corporate Banking and Private Banking, as well as growth prospects for our Individual & Entrepreneur Banking.

This will allow us to reach a target RONE above 17% by 2028, powered by investments in Tech, AI and in our People. You will see quarter after quarter in the coming years the results and improvements.

Thank you for your attention.

Operator: Ladies and gentlemen, this concludes the deep dive call dedicated to commercial and personal banking in France. Thank you for participating. You may now disconnect.

Disclaimer

The figures included in this presentation are unaudited.

As a reminder, on 28 March 2025, BNP Paribas published quarterly series for 2024, restated to reflect, among other things, the transposition into European Union law of the finalisation of Basel 3 (Basel 4) by Regulation (EU) 2024/1623 of the European Parliament and of the Council of 31 May 2024 amending Regulation (EU) No 575/2013, the change in the allocation of normalized equity from 11% to 12% of risk-weighted assets, and the reclassification of income and business data from the non-strategic perimeter of Personal Finance to Corporate Centre. This document reflects this restatement unless otherwise stated.

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