BNP PARIBAS

BNP Paribas
Deep Dive
Personal Finance

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DEEP DIVE BNP PARIBAS PERSONAL FINANCE

Bénédicte Thibord
Head of Investor Relations and Financial Information, BNP Paribas

Good afternoon. We are delighted to welcome you to our fourth deep dive call dedicated to our Personal Finance business where we will be presenting the extension of our strategic plan. This will be followed by a second deep dive on the 26th of June focused on the launch of a new strategic plan for our Commercial and Personal Banking activity in France.

I now pass on the mic to Lars.

OVERVIEW - Slide 2

Lars Machenil
Group Chief Financial Officer, BNP Paribas

Thank you, Bénédicte. Good afternoon, everyone. I'm also pleased to welcome you alongside Thierry Laborde, COO and Head of Commercial and Personal Banking Services to our deep dive call on Personal Finance. And we're not here alone. We are here together with on one hand Charlotte Dennery, Director and CEO of BNP Paribas Personal Finance, and Vincent Sussfeld, in charge of Global Business Lines, Gilles de Wailly, in charge of Global Service Lines, and Gilles Zeitoun, in charge of Countries Supervision.

Today, we will present our strategy to bring Personal Finance to our Group target of 17% of Return on Notional Equity, detailing our positioning, our markets and our financial trajectory. We will also leave some time at the end of the presentation to take your questions.

Having said this, I hand over to Thierry to take you through the key elements driving Personal Finance’s strategic plan.

INTRODUCTION – Focus on CPBS priorities and Personal Finance strategic plan – Slide 3

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

Thank you, Lars. Good afternoon.
Let me begin by positioning Personal Finance within the group and more specifically within CPBS, highlighting its strategic role and performance trajectory:

- CPBS brings together, our Commercial and Personal Banking activities and our specialised businesses platforms, such as PF, which alone accounts for nearly 20% of CPBS revenues.
- CPBS sits at the heart of BNP Paribas' diversified model, contributing €26 billion or 53% of group revenues, 44% of pre-tax income, and 55% of risk weighted assets in 24, with a pre-tax warning of 12.7%.
- 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 sell revenues with other business lines representing €12.1 billion, 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 have weighted on CPBS profitability.
- In response, we are adapting and focusing on the following axes:
    - Strengthening our leading position in the corporate and private banking segments,
    - Repositioning our retail activity strategically
    - Accelerating the profitable growth in our specialised businesses
    - Delivering the strategic road map for Commercial and Personal Banking in France, and Personal Finance, with a focus on driving profitability to raise both entities RONE to 17% by 2028.
- We have launched a new strategic plan for CPBS, which Isabelle Loc will present on June 26.

Zooming in on PF, the first phase of the plan was well executed thanks to the strong commitment of our teams. However, it wasn't sufficient to bring PF's profitability in line with group levels. That's why we are extending the plan to 2028. This decision is not only a response to address a performance gap; it's also a strategic step to capture future goals. PF is a platform story. It can scale efficiently, grow at marginal cost, and fit seamlessly into our integrated model.

Our growth and profitability strategy rests on full core levels:

- Focusing on our core perimeter to sharpen strategic focus
- Expanding partnerships, especially in mobility - a key growth vector
- increasing client selectivity to reduce the cost of risk
- Optimising our operational model by scaling product platforms, simplifying structures and leveraging digital tools to better serve clients and grow at marginal cost.

Let me now introduce Charlotte Dennery, CEO of Personal Finance, who will walk us through PF's achievements to date and the roadmap ahead, confirming our commitment to long term value creation.

INTRODUCTION – Rising interest rates and inflation have put considerable pressure on the profitability of the consumer credit market since 2022 – Slide 4

Charlotte Dennery
Director & CEO of BNP Paribas Personal Finance

Thank you very much, Thierry.
First, let's begin with the major macroeconomic trends which have impacted the consumer finance market. You all know that the market suffered a sharp interest rate increase after the beginning of the war in Ukraine. At the same time, outstanding loan volumes have continued to grow steadily even throughout the COVID crisis and the subsequent rise in interest rates.

The market has been impacted by two successive shocks. First, the pandemic in 2020, then in 2022, the inflationary surge and the resulting financial strain on households.

In parallel, regulatory tightening has significantly weighed on the revenue growth. The market has faced pressure in recent years on areas such as card interest rates.

Together, these have gradually eroded the overall profitability of the sector, with profit before tax - PBT - of the main market players declining by more than 30% between 2019 and 2024.

INTRODUCTION – Loan growth was not enough to offset margin pressure: Personal Finance launched plan to restore profitability in 2023 - Slide 5

The impact of the market environment has translated into the profitability of PF. In recent years, PF has found itself in a paradoxical position.

- On one hand, robust commercial momentum illustrated by an annual loan growth of around 6.6% between 2022 and 2024.
- On the other hand, a sharp deterioration in financial results in 2022 and 2023 due to a significant increase of refinancing costs and an increase in the cost of risk.

This dual trend is clearly reflected in the evolution of PF’s RONE, which reached a low point in 2023.

2024 marks a turning point with PF benefiting from the first tangible results of its transformation plan, including around a 25% increase in pre-tax income compared to 2023. It is worth noting that the perimeters presented here also includes non-core countries, while the rebound is even more pronounced across core markets.

In 2024, PF accounts for 10% of BNP Paribas’s Group revenues and 5.6% of group pre-tax income.

INTRODUCTION – What has been achieved so far? Slide 6

Faced with a challenging environment, we launched a deep transformation in 2023 to restore financial performance with concrete initiatives around four key pillars:

- Strategic and geographical refocus, with the exit from 10 countries, refocusing on Europe while maintaining strategic partnerships in Asia; and in-depth review of operations to identify, renegotiate, or discontinue underperforming segments and partnerships;
- Pricing and contract reviews to align with evolved funding conditions;
- Third, major organisational restructuring, especially within corporate and France teams, including a voluntary redundancy plan. In parallel, operational efficiency has been significantly enhanced through process industrialisation and IT optimisation.

- Last, we strengthened the risk and collection framework in a context of sustained household pressure, among which fraud prevention has remained a top priority.

These already engaged actions will have a significant impact on our 2028 trajectory, for example with around a 250 bps positive impact on repricing actions or €320 million recurring cost savings as from 2025. We have already demonstrated our execution capabilities, and we are committed to continuing to do so throughout the duration of the upcoming plan.

INTRODUCTION – Personal Finance plan is now extended to 2028, with a focus on reaching >17% RONE through growth and profitability - Slide 7

This brings us to our new financial trajectory to restore a RONE of 17% by 2028 in Personal Finance.
- Outstanding loans are expected to grow at 4% per year, while our RWA growth will be kept below 1% through continued balance sheet optimisation.
- Revenues – NBI - will increase from €4.9 billion to over €6 billion, outpacing loan growth. In any case, we confirm our target of 5% growth for 2025 regarding NBI.
- PF is set to return to an NBI to outstanding ratio above 5%, in line with pre-COVID performance levels
- Cost discipline will remain a priority with a target OpEx to outstanding ratio of 2.2%, supported by a jaws effect of four points. The profitability trajectory is also underpinned by rigorous risk management with a 10 bps improvement in the cost of risk targeted to reach around 1.3% by 2028.

This robust trajectory is, however, sensitive to interest rate trends. A 10 bps in two-year Eurozone rates would have plus or minus a €25 million lifetime impact; negative if rates rise, positive if they fall. Due to approximately a six-month repricing lag on about half of the customer base. And the competitive environment may also exert some pressure on margins.

INTRODUCTION – Personal Finance plan is focused on 4 key levers – Slide 8

This slide summarises the four main levers enabling PF to multiply by two its RONE from 8.5% to over 17% by 2028.

As presented in slide six we have demonstrated over the past three years our ability to execute with discipline similar actions and we will continue. We will return to each of these levers, which are already triggered, in detail in the financial trajectory session.

INTRODUCTION – Personal Finance will also benefit from improving market trends: the European consumer loan market is expected to grow at 2-3% CAGR 2024-2028 – Slide 9

Beyond internal levers, PF is also set to benefit from a more supportive market context. The market has stabilised and loan growth is expected to continue at a steady 2% to 3% growth.

Key growth drivers moving forward will include supportive momentum in mobility, in energy transition, in payments and e-commerce. Of course, customer experience and seamless journeys will be critical to maintaining leadership and PF is already well positioned in these segments and has proactively invested to offer best-in-class customer.

I will now hand over to Gilles Zeitoun, in charge of country supervision, who will present a detailed overview of PF.

PROFILE – Personal Finance is the #2 European Consumer finance specialist, with leading positions across Europe – Slide 10

Gilles Zeitoun
Deputy CEO in charge of Countries Supervision at BNP Paribas Personal Finance

Thank you, Charlotte. Personal Finance is the number 2 European consumer finance specialist. It has very strong positions in most European countries with its multi-specialist model based on mobility, retail and B2C.

The positions presented here combine those with the various controlled entities in each country. We operate with strong brands for individual customers like Cetelem in France and Spain or Findomestic in Italy, as well as full structuring equity partnerships, especially with Stellantis where we are the captive in the UK, in Germany and Austria.

You can see the strong and balanced positions across the different Western European markets. We are number one in Italy and Belgium, number two in Spain and Portugal, and number three in France and Germany. We have also solid positions in the UK and in Poland. Alongside this strong European presence, I would also like to highlight the partnerships that PF has established in China with the Bank of Nanjing and with the car manufacturer Geely.

PROFILE – Personal Finance has built a balanced auto / non-auto mix and diversified geographical exposure – Slide 11

This page illustrates the diversity of Personal Finance's activity mix. PF is present in the two main consumer credit markets.

- On the one hand, financing mobility at the point of sale, new or used cars, recreational vehicles, motorcycles. This represents 44% of the outstanding loans.
- And on the other hand financing directly the end customer - B2C - and financing the consumption at the point of sale – retail. This weighs 40% of PF's total outstanding.

PF has additional channels with partnerships established with banks either within the Group, Fortis in Belgium, BNL in Italy, or CPBF in France, or with banks external to the group. PF also operates with credit brokers.

PF's international exposure is balanced across six main countries. This also reflects the geographical refocusing. Activities in China are accounted for using the equity method and therefore are not represented here.

PF offers a very wide range of products to meet customer needs; amortising loans, revolving credit, debt consolidation, leasing with or without purchase options, and to meet partner needs with a wholesale offer. As I mentioned, PF has a broad and competitive offer.

Vincent Sussfeld, in charge of global business lines, will now walk you through our business models.

PROFILE – Personal Finance has developed a unique partnership model creating value for clients and partners – Slide 12

Vincent Sussfeld
Deputy CEO in charge of Global Business Lines at BNP Paribas Personal Finance

Thank you, Gilles.

The strength of Personal Finance's value creation model lies in its ability to combine partners, merchants and manufacturers, with end customer satisfaction in a competitive environment. It is a customer experience that allows us to differentiate ourselves and create value.

- On one hand, PF has developed a partnership DNA with distributors and manufacturers. This mindset allows us to position financing as a strategic issue in the partner offer to the end customers. All this is done on an industrial scale with more than 20,000 partners, including 350 global partners and a number of key references that we will find in the presentation.

- On the other hand, the satisfaction of our individual customers, more than 23 million, is at the heart of our performing B2C model. It relies on the excellence of the customer experience we offer in our digital journeys or through our agents, serving a broad value proposition to our customers in managing their daily budgets and projects.

- Our approach around responsible credit and customer interest protection supports this position.

PROFILE – Personal Finance has built its growth strategy through partnerships with leading merchants and OEMs, both locally and on a Pan-European basis – Slide 13

PF's growth is underpinned by strategic partnerships with leading players at both local and a multi-country level. Our track record has been developed over 70 years and still evolves : from leading global brands like Apple, Jaguar Land Rover, Stellantis, MediaMarkt, to local players.

PF is also a key component of the BNP Paribas Group's One Bank approach, contributing to the integrated model of the group involving business lines like CIB, Cardif, Arval and our Retail Banks.

Personal Finance benefits from its full integration within BNP Paribas and strengthens synergies across business lines. This is clearly visible today in mobility and increasingly so in telcos and large pan-European retail partnerships.

We will now dive into our two core businesses, mobility and retail B2C.

MOBILITY – Personal Finance has been one of the fastest growing mobility bank in Europe – Slide 14

PF's mobility average outstanding has been multiplied by three over the last 10 years. PF has been the fastest growing player in Europe over the last two years with a CAGR of 15.6% between 2022 and 2024.

Mobility has been the fundamental growth driver for PF over the last eight years and is now one of the two pillars of our company. Significant jumbo deals have positioned PF among the European leaders, including partnerships with Stellantis, Kia, Hyundai or JLR.

MOBILITY – Personal Finance focuses on large partnerships to enable future growth, with a structurally low cost of risk – Slide 15

Nearly three quarters of our volume are now generated through captive like models with or without joint ventures. Our car manufacturers' partners including Stellantis in Europe and Geely in China are part of it.

PF maintains a very limited exposure to residual value risks on financed cars since residual value is mainly held by car manufacturers or distributors.

Given the nature of the underlying assets, mobility activity structurally exhibits a lower cost of risk than other business lines within PF.

MOBILITY – Personal Finance's transformed mix enables it to capture growth through partnerships with leading merchants and efficient cross sell in B2C – Slide 16

Moving to the B2C and retail model. As the fundamentals of consumer credit have remained structurally stable over time, the underlying markets have evolved significantly. Personal Finance has continually adapted to these changes, which have led to a shift in its activity mix; the marked decline in physical channels and traditional processes, offset by the rise of e-commerce.

In summary, the driver of the retail B2C model are as follows.

- One, customer acquisition is primarily led by retail, which also bears its full cost and a structurally lower profitability than B2C. 4 million new customers are acquired each year for retail. 85% of this total are the PF B2C customers who are acquired through retail partnerships; a strong 23 million customer base allows cross sell and ups through direct channels.

- Two, the B2C products and B2C channels are the more profitable and are the core of the PF revenues model. The ability to develop the customer portfolio and cross-selling is therefore central to the model, making the B2B2C and B2C business lines highly interdependent. The B2C business line has already been gradually reactivated over the last 12 months.

- We are market leaders in our core activity and hold a unique position in our strong commitment to sustainability.

SUSTAINABILITY – Personal Finance will accelerate its initiatives with a focus on sustainable mobility, home energy transition and inclusive finance – Slide 17

We will now present our key sustainability initiatives.
PF has embedded energy transition priorities into its business for many years. We are a market leader in financing the energy transition for households with a strong growth ambition by 2028.

We are also strongly committed to financial inclusion, supporting underserved populations and planning our first social bond issuance.

We have included some key figures highlighting our achievements and further commitments.

We are fully committed to addressing the critical social challenges of energy transition and inclusions, priority shares by BNP Paribas.

This business trajectory is anchored in the strengths of our industrial model, which Gilles de Wailly, in charge of global service lines, will now present.

INDUSTRIALISATION – Personal Finance will continue to invest to optimise IT efficiency – Slide 18

Gilles de Wailly
Deputy CEO in charge of Countries Supervision at BNP Paribas Personal Finance

PF is investing heavily in its IT platform. Today, the IT platform is a key asset with four main characteristics.

- Point number one, the IT platform is largely mutualised with, for instance, one single IT infrastructure leveraging group investment, data centre network, dedicated cloud, GPU, but also a single omnichannel customer management platform already deployed in every country, namely Genesis. There is also one single data science platform allowing AI as a service for all PF data scientists wherever they are.

- Point number two, the IT platform is safe and secured by design, with 10% of the total IT budget allocated to cyber security and the decision not to use any public cloud but to migrate all the PF assets into the private dedicated cloud of BNP Paribas.

- Point number three, the IT platform is open. The platform is fully API-based with more than 1,000 APIs exposed on the Internet, allowing seamless integration with our partners across countries and product lines. But the platform is also leveraging the open data, including the open banking data and the European wallet to accelerate a fully automated and real time granting process with zero document upload.

- And point number four, the IT platform is cost effective. Today, 15% of the PF IT workforce are in our near shore platform. This figure is set to grow to one third by 2028.

INDUSTRIALISATION – Personal Finance will continue to improve the customer journey and optimise the operational efficiency – Slide 19

This shift into an industrial model covers also the operations, of course, and this transformation is led by four main drivers.

- The first one is to target a high level of automated underwriting. Today, 90% of credit decisions are automated, with a target of 95% by 2028. This has been achieved using automation, robotisation and digitalised customer journeys.

- The second driver is to design the best possible mobile app, allowing clients to complete most of the support and post-sell actions in a self-service model, enabling both self-care and self-cure. The objective here is to reduce the inbound call volumes.

- The third driver is to operate with a dual organisational model: local platforms in every country and two nearshore platforms in Romania and Portugal for specialised activities or niche activities like stock financing or to be able to manage volume peaks like Black Friday. The number of FTEs in this nearshore platform will reach more than 500 by 2028.

- The last driver is AI, both predictive and generative AI. Let's switch to the next slide to elaborate a bit more about this point.

AI – AI is a key component of Personal Finance's strategy to better serve clients and foster platform efficiency – Slide 20

PF has a strong ambition in AI and has reached a solid level of maturity.

129 AI models are currently in production, mainly using the machine learning technology. A few examples: automation for granting and financing, optimisation of the performance of the marketing campaigns, or fraud detection.

In 2025, PF has also deployed its first generative AI use cases in production. Generative AI is a key lever to drive revenue growth, improve operational efficiency, and reduce risk. The most promising generative AI application includes:

- For NBI growth: the dynamic pricing model, risk based pricing, or the hyper-personalisation in marketing campaigns
- For OpEx reduction agent: assist and/or virtual assistants to enhance the quality of customer interaction and reduce the price to serve.

To sum up this section on PF's industrial model, we have accelerated the transformation of our model over recent years and made an early shift to capture the full potential of AI.

Let us now work through the key financial levels that will enable us to achieve a RONE about 17%. I'll hand over to Gilles Zeitoun to go further into the NBI evolution.

FINANCIAL TRAJECTORY – Margin restoration: repricing actions and higher margins on new production (>5%) will drive revenue recovery – Slide 21

Gilles Zeitoun
Deputy CEO in charge of Countries Supervision at BNP Paribas Personal Finance

Thank you, Gilles.

We project that by 2028, NBI expressed as a percentage of outstanding loans will return to a level above 5% coming from 4.8% in 2024. In fact, the margin rate for new business in 2025 is already positioned above the 5% rate, which is a level we knew before 2022.

This uptick in margins results from a fine steering of the business mix combined with repricing actions to rebuild our margin rates month after month over the past period in a very disciplined approach. Activity reviews have also been conducted to arbitrate the least profitable activities. The margin squeeze effect we had in the new business of 2022 and 2023 is now behind us. It was explained by the delay the market took to adapt to increasing funding conditions, whether due to competition delaying repricing to gain market share, or due to usury mechanisms.

The outstanding loans originated in 2022 and 2023 at historically low margin rates amortised, and as the current new business already recovered margins above 5%, the NBI rate on the portfolio will return above the 5% level. And combined with the growth of the outstanding, this will lead to an NBI above €6 billion in 2028.

Gilles de Wailly will now go through the next lever, OpEx optimisation.

FINANCIAL TRAJECTORY – Opex optimisation: continuous improvements in operational efficiency over the last ~10 years with variable costs at ~ 50% - Slide 22

Gilles de Wailly
Deputy CEO in charge of Global Service Lines at BNP Paribas Personal Finance

Thank you, Gilles.

In 2024, PF's OpEx amounted to €2.6 billion, with IT accounting for 26% and Operations for 22%. They are indeed the two PF core engines and largest cost centres of the consumer credit business. The remaining costs are for 21% sales and marketing, for 12% corporate functions, and 7% premises and general services.

Our key efficiency and industrialisation metric is the OpEx on outstanding ratio. This ratio has declined from 4% in 2014 to 2.5% in 2024. This reflects the first wave of industrialisation, marked by deep automation and digitalising efforts. The trend will continue with the ambition to reach almost 2.2% by 2028, driven by a second wave of optimisation; one largely supported by AI.

FINANCIAL TRAJECTORY – Opex optimization: ~€0.2bn cost optimization planned by 2028 to broadly offset inflation – Slide 23

We anticipate OpEx will increase slightly to around €2.7 billion in 2028, less than a 4% increase compared to 2024.

To offset the impact of business volume growth, and an assumed inflation rate of 2%, PF has developed a new optimisation plan targeting €200 million in additional savings. These savings will be made possible by activating multiple operational levers such as the simplification and standardisation of the IT assets, the end-to-end automation of the operations value chain, the optimisation of external spend, and the deployment of ConnectOne, the pan-European platform which streamlines the integration between PF and its partners.

We are confident in our ability to deliver these OpEx savings with the high discipline in execution PF is used to.

Gilles Zeitoun will now walk you through the next lever, cost of risk.

FINANCIAL TRAJECTORY – Cost of risk management has been part of Personal Finance's DNA with further improvement driving cost of risk lower – Slide 24

Gilles Zeitoun
Deputy CEO in charge of Countries Supervision at BNP Paribas Personal Finance

Thank you, Gilles.

Personal Finance's cost of risk came out at 1.4% in 2024. This is a sharp decrease compared to historical references such as 2014. This gap reflects both the geographical refocusing - exit from Central Europe and Latin America - and the evolution towards a less risky business mix: more car finance, less cars.

Projections for 2028 are set at 1.3%. This level, an improvement of 10 bps compared to 2024, captures the trends indicated previously as well:

- As the business arbitrage made during the 2020 to 2024 period to better select end customers, knowing that at the same time the effects of the inflationary crisis will fade.
- Continued investment to strengthen the fight against fraud, particularly online, and to make better credit decisions by multiplying data sources, open banking and open data.

Lars Machenil will now present the next lever.

FINANCIAL TRAJECTORY – Capital optimisation: we will continue our SRT and credit insurance initiatives to improve RWA efficiency – Slide 25

Lars Machenil
Group Chief Financial Officer, BNP Paribas

As you can see, our plan is indeed to pursue and accelerate our plan for optimising capital. On one hand it means tripling the SRT, so Significant Risk Transfer, but also credit insurance operations. This will include securitization of new assets; I think of car leasing for example. This should translate a 4% loan growth into a 1% RWA growth.

To deliver these operations, the step-up and the widening of the asset classes, this will require IT and HR investments that have been identified and planned for. PF's RWA to outstanding ratio stood at 81% at the end of 2024, and is expected to converge towards 73% by 2028, driven by a €8 billion in additional RWA savings. And just to put some flesh on the bones, we aim to complete over 35 securitisation programmes over that period.

All together, these levers will support our ambition to increase our RONE from 8.5% to over 17% by 2028.

So having said that, I'll now turn it over to Charlotte for the closing section.

CONCLUSION – We have defined a clear strategy to strengthen our leading pan-European position and deliver our 2028 profitability target – Slide 26

Charlotte Dennery
Deputy & CEO of BNP Paribas Personal Finance

Thank you very much, Lars. So as a conclusion, PF is strongly positioned to reinforce its leadership in Europe with a profitable resilient model aligned with the BNP Paribas Group integrated strategy.

Our unique DNA makes us a trusted reference for delivering best-in-class customer and partner experience. We also stand out through our strong commitment to sustainability.

Our financial trajectory is anchored in four strategic levers:

- Revenue growth through repricing and increased profitability on new vintage with an NBI on outstanding above 5%
- Enhanced operational efficiency
- Optimised cost of risks through strategic geographic and product allocation
- Dynamic capital management.

Our strategic priorities are clear and shared:

- We are going to strengthen our core business while outperforming the market.
- We will expand high-value partnerships in mobility and retail
- We will target high potential, low risk customers to secure profitability
- We will continue transforming our operating model with strong team engagement and of course, human capital enhancement to support this transformation.

Thank you for your attention.

QUESTIONS AND ANSWERS

Benoit Valleaux (Oddo BHF): Hi, good afternoon. Thank you for taking my question and thank you for the presentation. Two questions on my side, if I may. First, how do you see the evolution of the economic environment impacting your own trajectory? And in particular, is there is an economic slowdown that could be the implication for Personal Finance?

And second question is, could you please elaborate on the cost of funding assuming the trajectory and your positioning compared to peers? Thank you.

Charlotte Dennery (BNP Paribas): Thank you for your question. This is Charlotte Dennery answering. Talking about the potential economic slowdown, I would start with three points. Our business is diversified across 15 countries and so they should not all be impacted with the same magnitude. Second, in addition, we are partnering with key market leaders that are overperforming the markets. And over the past 10 years, our average growth of outstandings was around 8%, despite several economic crises. So we are confident that with a favourable interest rate environment, we should achieve our 5.5% target of revenue growth.

Of course, a slowdown of the economy can have potential negative impacts on our cost of risk, but the size of our mobility business with lower cost of risk and our performance through the cycle demonstrates our resilience. This is for the first question.

For the second one, talking about the funding rates, those funding rates should remain quite flat, but we don't disclose these. And you asked how they position themselves compared to our competitors; neither our competitors nor ourselves disclose any funding rates. The only thing that we can say is that our deposit base is lower than competitors', hence we are less immune when it comes to rates increase but should be in a better position in the case of a rates decrease.

Benoit Valleaux (Oddo BHF): Okay. Thank you very much.

Pierre Chedeville (CM-CIC): A few questions on my side. First question, you didn't say a word regarding Floa. I know that this activity seems to be developing well, and I wanted to have a little bit more colour on this activity within Personal Finance.

My second question relates to slide 25 about security issuance. The amount that you want to securitise through SRT is not very clear for me. And particularly with 35 programmes, I wanted to know what exactly is the average amount per programme.

Another question is related to the cost income ratio. If we follow your targets in 2028, we are close to a cost income ratio of 45%, and I wanted to know if for you this kind of lever, this level of 45%, is optimal for this kind of industry or if you think that it's possible to lower it in 2030 or later on?

And my last question is about one of your slides mentioning that you have 29% of finance lease for your mobility business. And I wanted to know what is exactly the difference between what you do there and what Arval is doing? Thank you very much.

Vincent Sussfeld (BNP Paribas): I will take the question on Floa and the financial lease. On Floa, you must be aware that it is consolidated at a rate of 50% within Personal Finance. So, 2028 figures include 50% of Floa in the presented figures. Floa is part of our one bank strategy to have a unique value proposition to end-customers, end-partners, especially merchants, which translates into joint offers to potential partners combining both loan credit and buy now, pay later with a strong coordination on the field between the two entities to offer the Group’s best skillset.

To address your second question on the financial lease, so the main difference is that Arval are offering so-called operational leases which is a product that has full ownership of the car, of all the car, during the full cycle and is a combination of an offer with additional services. When we speak about financial leases, this is the idea to have financial products where the ownership - there is an option for the end-customers to give it back at the end and the price of services is lower. And as we said, most of the options are managed either by the dealers or by the car manufacturers in our business model, which explains our point on limited exposure to residual value.

Charlotte Dennery (BNP Paribas): Let me answer the two other questions. The first one is related to slide 25 with the securitisation programmes. So as mentioned in the slide, we plan to multiply our number of securitisations by three with close to 35 programmes. Each programme is sized between €500mn and €1bn of notional amount and of course it will depend on the market environment to do those operations.

Talking about the cost-to-income ratio. As you said it and as we presented it, we plan to reach a ratio of 45% by the end of 2028. This cost-to-income ratio is a ratio that depends completely on our business mix and our business activities, so it's very difficult to talk about a normal or an average cost to income ratio for the market. It completely depends on the type of activities and where you operate. We believe that is a good target for 2028, but we will continue to work on it in the years after to continue our work on efficiency programmes, especially using AI models that will allow us to further enhance our cost-to-income.

Pierre Chedeville (CM-CIC): Ok. Thank you very much.

Tarik El Mejjad (Bank of America): Hi, good afternoon everyone. A few quick questions from my side. First of all on your market share upside, slide 10 is quite impressive in terms of how large you are. I wanted to know what's the kind of upside of the market share there? Are you not just maxed up a bit at the level that you can profitably grow? And where is actually the main competition coming from? Maybe if you can comment on the three or four largest countries.

And then related to the first question is on competition from new players. Is that not the main risk actually for your business? It has become very innovative and a fully digital client experience. How do you compare to this? How do you think you can face this competition that can actually come quite rapidly.

And the last question is on RWAs and your models for the Personal Finance division. Can you update us on where you are with the ECB in terms of model reviews for those? Any risk for any surcharge given the risks and the models that are not necessarily based on ratings? Thank you.

Gilles Zeitoun (BNP Paribas): I'm answering the first question on market share. So I'm on page 10. In fact, overall in Europe, we have a 9% market share which is expressed in outstandings out of the total market. And the first one is Santander and the player behind us is Crédit Agricole Consumer Finance and Mobility.

If I take a few examples, for example, in France where we are number three, so I remind you that this ranking is considering all specialists including auto captives. So in fact the two players before us are Mobilize, so the captive of Renault Group, and second Stellantis which is operating with Santander in

France. And for example, if I take Portugal, we also have Santander as the first player and in Spain it's also Santander, just to give a few examples.

In Italy we are the number 1 player, well above Agos (Crédit Agricole Consumer Finance and Mobility) and Compass, which is the specialist player within the Mediobanca group, just to give a few examples.

Vincent Sussfeld (BNP Paribas): On the new players, on one hand, this is the potential competition on the buy now, pay later that was mentioned. So as you mentioned, Floa is part of the group. So we do have a Fintech type capacity within the group to address this. More generally speaking, obviously new players have forced us to improve and increase our customer journey, upgrade what we offer in terms of digitalization which has been done and it's still ongoing over the different geographies. A recent success with a very demanding player like Apple is a good example of our capacity to fulfil these types of demands for everyone. Apple right now is doing business with us in Spain, in Italy, and has just been recently launched in France.

And last but not least, the credit consumer directive that will be rolled out through Europe in the next 15 months will definitely reduce the gap between buy-now operators and longer credit which at the end will average the competition landscape and we believe that with both this increased customer journey as well as having Floa as part of the group, we are well armed to face the competition and to address this challenging topic.

Lars Machenil (BNP Paribas): Tarik, I'll take your third question on RWAs. When it comes to our discussions with the SSM, so the single supervisor, at this stage, there's basically no open issues and there are no heritage add-ons neither lingering around. So that's where we stand.

Tarik El Mejjad (Bank of America): Thank you very much.

Giulia Miotto (Morgan Stanley): Yes, hi, good afternoon. Thank you for doing the presentation. I found it very interesting. And I have a couple of questions. If I can go back to the slide where you talk about the planned SRTs, are these contingent on the regulation changing as we expect to happen in the next few weeks, or would this also be the plan if nothing changes on the securitisation market? That's my first question.

And then secondly, I appreciate that South Africa and China are small, but I was surprised to see why these are a focus for BNP basically? So my question is you have exited some countries; why not just focus on the Eurozone and get rid of also South Africa and China?

And then my last one, which goes back to the previous question I guess, when I look at the slide 19, this time to cash, which at the moment is more than 48 hours, and I think about Floa which most likely approves immediately, wasn't there like some tech to take some learning from Floa that you could apply to the rest of the network to improve the time to cash more quickly than by 2028? Thank you.

Vincent Sussfeld (BNP Paribas): Let me start with the China question. So we do have minority shareholders with two very significant partners in China. On one hand, Geely Group that you may know is now number two, among car manufacturer in China and the other one is Bank of Nanjing in which the BNP Paribas Group has long lasting shareholder positions. So those two are minority shareholders in a very big market under competition at the time, but we believe that it's a long term investment creating value in one of the largest consumer credit market in the world.

And in addition, especially with Geely group, it allows us to have a high level connection with one of the leading Chinese brands owning Volvo, Zeekr, Lynk & Co. So it's also creating a long lasting relationship to develop business in Europe where we are one of the key partners of those brands in most of our geographies.

Gilles Zeitoun (BNP Paribas): On South Africa, I can say that first, we are not considering any further exits. Our geographical refocusing is done. Our company in South Africa is profitable, is doing very well in its market, very dynamic in terms of offers and customer journey. So it is part of our core perimeter.

Gilles de Wailly (BNP Paribas): Regarding your last question on page 19, yes, you're partially right and this industry has been completely disrupted by especially the new actors who were used to saying yes in real time, but after we needed one or two days to check the evidence and the payslip or the ID. During the last two or three years, we have completely reshaped the way we are granting based on the open banking data or based on the open data more globally, especially based on the European Regulation, PSD2 or eIDAS2. And then we are targeting 15 minutes. But don't forget it's an average. It's real time for all the retail and B2C activity mainly, and for the mobility business it's more usual to take more time and to check more carefully all the evidence.

Lars Machenil (BNP Paribas): Giulia, I'll take your first question on SRTs. So no, the figures that we've put as you know from our conservative stance that we take, are estimated in the current framework. And so the step up that we will do in the next couple of years does not depend on the change in regulation, but it’s basically us extending the scope of the assets we include and that's why we have done the reporting investments to do so. So it's based on the current regulation.

Giulia Miotto (Morgan Stanley): Thank you. But if the regulation changed, potentially you could do more than the plan at a guess.

Lars Machenil (BNP Paribas): Yes, you guessed right.

Joseph Dickerson (Jefferies): Hi, thank you for taking my question. I think previously you'd said that you could see 5% core revenue growth in 2025. Is that guidance still maintained and embedded within the revenue CAGR that you've outlined?

And then secondly, I think you've also discussed PF and CPBF contributing about half a percentage point to group return on tangible equity in 2026. So I'm wondering if that is still embedded within what you've presented today. Thanks.

Charlotte Dennery (BNP Paribas): Yes, this is Charlotte Dennery. As I explained during the presentation, we confirm our target of 5% growth for 2025 regarding NBI. Performance in H2 should be better than in H1 thanks to the ramp-up of our NBI margin increase as explained during the presentation.

Lars Machenil (Personal Finance): And on our returns, nothing has changed. So we have the ramping up from the intrinsics of PF and CPBF by 2026 and then an extension which is coming onto the horizon 2028.

Joseph Dickerson (Jefferies): Fantastic. Thanks both.

Delphine Lee (JP Morgan): Yes, good afternoon. Thank you for taking my questions. My first question is, is it possible, just going back to slide seven, to give a bit more colour, if you can on the sensitivity to rates and your €25 million, just try to understand a little bit - you mentioned six months lag. I mean can you give us details a bit on the structure of your loan book and the hedging strategy here?

And my second question is on slide 21. Thank you for the useful colour on the margin evolution here. I was just a bit surprised in 2025 that the share of production that is with rates around 4.5% to 5% is still increasing, but I understand your new production is mostly above 5%. Just trying to get a bit my head around this. So why is it maybe not a bit more visible in 2025, given you have quite a bit maturing with lower rates?

And then my last question is on Slide 22. So the next one on the costs. So when you talk about variable costs at 50%, so just building on what you said and different initiatives, what part of your cost base in your split on that chart do you intend to make more flexible? So if you could just elaborate that would be great. Thank you.

Charlotte Dennery (BNP Paribas): we will split the answers across different speakers. I'm going to take the answer on the sensitivity of the financial trajectory to interest rates. As mentioned in the presentation, 10 bps variation would impact margin by €25 million in lifetime, over the period of the credit. Regarding the stock of outstanding, we are not sensitive at all as we are covered by adequate ALM strategy.

And then regarding new production, we can face some delays between the evolution of funding prices and client tariffication. First of all, usury rates in most European countries are linked to market prices and evolve after a three or six months delay. And it's important to add that almost 50% of our agreements with partners include an interest rate indexation clause. So we consider that there is a maximum six month potential lag concerning 50% of our production that can affect our margins upward in case of an interest rates decrease or downward in case of an interest rates increase.

Gilles Zeitoun (BNP Paribas): On page 21 we see in the 2025 bar which represents the current outstanding this year in average, we can see that the weight of the new production coming from this year, 2025, is still quite limited within the total and we currently still have a high share of production coming from 2022 and 2023 which were originated at a margin comprised between 4% and 4.5%. So we need to wait for the new vintages, 2025 and onwards, which are now originated at margins higher than 5%, to take more space within the outstanding, this clearly bring us above 5% in 2028. This takes some time.

Charlotte Dennery (BNP Paribas): Thank you, Gilles. I'm going to answer your last question related to the marginal cost and the variable cost. We said in our presentation that approximately 50% of our costs are variable. Among the whole costs of BNP Paribas Personal Finance, I would say that those that have the highest percentage of fixed costs are related to IT costs, including the Group framework, support functions costs and premises costs. The other costs are much more variable, so support operation cost, sales call centre, and sales support and marketing.

Delphine Lee (JP Morgan): Great. Thank you very much.

Anke Reingen (RBC): Thank you very much for this presentation. I just have three small follow-up questions. So I suppose you're assuming market share gains given your higher revenue growth and the industry revenue pool growth. I just want to confirm that's not a function of pricing, but of other competitive positioning.

And then on the capital efficiency measures, at what costs do they usually come? Is there like a 1% of volume or revenues or how should we think about the cost of you doing those initiatives?

And then lastly in the past we sort of like talked about the cross selling of the different divisions you presented. How should we think about the Personal Finance? Is that like an operation where most of the clients source from the rest of the business? I mean obviously not some other regions, but how should we think about cross sell within Personal Finance within the group? Thank you very much.

Gilles Zeitoun (BNP Paribas): On the first question, indeed we plan to grow 4% in CAGR for our outstanding, which is higher than what we forecast for the market (comprised between 2% and 3%). This comes from the agreements with partners we have already signed that will deliver higher growth. It comes also from all the work we're doing on competitiveness, optimising our operating expenses and also our cost of risk. As we explained cost of risk will evolve from 1.4% to 1.3%, Opex on outstanding will evolve from 2.5% to 2.2%. So this gives us the way to be competitive and to grow while growing at the same time as we explained our margins and therefore our profitability.

Lars Machenil (BNP Paribas): And Anke, I'll take your second question on the capital. and maybe then after that you should rephrase your third question because we're not sure we understood your third question.

So on the cost of capital, roughly speaking, if you wish, it is around 1%. So if you do an additional billion, it will cost around 10 million. So that's a bit how you should read the cost.

Anke Rangan (RBC): Is it 1% of RWA or volume?

Lars Machenil (BNP Paribas): Yes.

Anke Rangan (RBC): I mean the businesses you presented to us, they all had an aspect of cross selling and how they fit within the overall group. And I guess that applies to Personal Finance as well as in a large part of the clients probably comes from other businesses within the group. Is that a fair conclusion?

Vincent Sussfeld (BNP Paribas): We do have the integrated banking model. As mentioned, this supports our growth. It's structured and organised under different initiatives. One of the most visible ones is Mobility One Bank in which we can combine our offers, typically between Arval we mentioned previously and Personal Finance, but also adding potentially Cardif, Floa or others with obviously the support of the coverage of CIB and we are also declining this for Merchant and other potential lines. So, when required by potential partners, we provide a combined offer which is a bit unique in the market and allows us to leverage the capacity within the Group and increase the global pool of revenues.

Sharath Kumar (Deutsche Bank): Thank you. Very useful presentation. I had a couple of questions. Well, firstly in the context of the many partnerships that you outlined as well as your China business, how should we think about the trajectory for income from associates? I noted it’s substantially gone down in recent quarters. Is it mainly to do with weaker performances in China or are there any perimeter impacts from non-core-disposals, et cetera?

And then secondly, a clarification on restructuring costs. Would we have any more additional costs to enable the €200 million additional cost rates that you're obtaining in 2028, or would it be observed within your €400 million annual guidance? Thank you.

Vincent Sussfeld (BNP Paribas): To answer your question on associates, so as we mentioned it is mainly the China joint venture, and the other key contributors are joint ventures with Carrefour. It's a very big mix of geographies. If you take Carrefour, obviously the situation in Europe has had some impact especially in France on the revenues. So this is part of the explanation on the short term impact and a bit similar on the car market in China which obviously as anyone knows, is under very fierce competition.

The point here is: back to normal on the European side and growth potential in China. Maybe to also add on the Bank of Nanjing setup: this is one of the unique set-up with a national licence to operate a consumer finance globally in China, which is pretty recent but is growing quickly already - top ten - and has a great potential in terms of profitability and scalability. So, to wrap up, this is a combination of different contributors, but obviously with a strong potential of growth.

Lars Machenil (BNP Paribas): And maybe as a complement, I take your point. We are having more and more of these contributions coming into SME, I take your point that we should probably provide more colour on these things on a regular basis.

Charlotte Dennery (BNP Paribas): If I understand well your second question which was related to the potential restructuring costs embedded into our trajectory. In our trajectory, we have included and factored in all the securitisation costs that we talked about previously. We have also embedded a significant investment in IT and operations in order to be able to enhance our efficiency as we explained all around the presentation. This is completely included. We have not included any costs related to a new redundancy plan because this is not integrated in our trajectory. We are just going to reduce our number of FTEs with the natural turnover of the FTEs.

Sharath Kumar (Deutsche Bank): Thank you.

Charlotte Dennery (BNP Paribas): Thank you very much for having attended this presentation of BNP Paribas Personal Finance. As you have heard, we have all the means and all the appropriate levers to drive our trajectory up to 17% of RONE in 2028. You understood that it's going to be based on different levers: revenue growth, OpEx optimisation and OpEx improvement, cost of risk optimisation and management, and a strong ambition in capital management. These are our main levers of progress for the three years to come. We will present our results quarter after quarter showing this improvement in the coming years.

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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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