BNP Paribas

Third Quarter 2026 Results

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RESULTS THIRD QUARTER 2026

Jean-Laurent Bonnafé
Group CEO

Good afternoon, ladies and gentlemen. We are proud to present very strong third quarter results, which further strengthen our conviction that we will beat our 2026 trajectory. We are well on track towards our 2028 target of double-digit earnings growth CAGR over 2025–2028. We expect to reach a CET1 ratio in excess of 13% at year-end. And we are pleased to announce today that we launch next Monday, our €1.3 billion share buyback programme as part of the 2026 distribution. As you know, we are finalising the preparation of our next strategic plan, which we will present to you on 2nd February next year.

We are vigilant given the current political environment, but the reality is that our Group continues in the direction that we have set. Our reliance on France is limited as we are very internationally exposed. We are working on growing our corporate, institutional and affluent client franchise in CIB, CPBS and IPS, and we are preparing our next strategic plan, including our efficiency plan. These are our priorities.

I will now discuss all these elements, starting with a summary of our results on slide 4.

3Q26 | RESULTS Very good quarter, underpinned by strong commercial and operating momentum

Q3 was very strong. Revenues rose at close to double digit, with a particularly strong performance of CIB and CPBE, and a solid performance of IPS. The jaws effect accelerated further at 4.1 points, and our cost–income ratio improved more than 2 points in line with the trajectory we envisage in the next strategic plan.

Cost of risk was stable at 39 bps and remains within our guidance of less than 40 bps, which we observed through the cycle. All in all, this means that operating income was up nearly 18% and net profit was up nearly 14%.

I'll now focus on our capital. Our CET1 stands at 12.9%, reflecting the acquisition of Athlon, but we expect to be strictly above 13% at year-end, and we will be launching next Monday our share buyback programme of €1.3 billion in anticipation of the distribution of 2026 earnings.

TRAJECTORY | C/I ratio improving, with support functions stepping up their contribution from 2027

Let's now move to slide 5, which is a reminder of our cost savings ambition in the next strategic plan. After three quarters in 2026, we have achieved €540 million of cost savings, and we are well on track to reach our savings target for this year of €700 million. And the savings will further accelerate from next year, reaching €1 billion per annum, equivalent to about 3% of our cost base annually, or €4 billion cumulative, over the four years of the strategic plan.

As we indicated to you, we are preparing this year a transformation of our support functions, and we anticipate savings between 15 and 20% of their cost base. This will represent about 60% of our total €4 billion cost savings over 2027–2030.

TRAJECTORY | We raise our 2026 targets and confirm our 2028 targets

We now move to slide 6, reminding you of our targets. After a strong first nine months of the year, we confidently reconfirm both our 2026 and 2028 trajectories. Given the strong progress we have already made towards exceeding our 2026 target, we are fully focussed on accelerating EPS growth and delivering on our double-digit growth target over 2025–2028. We expect our return on tangible equity to exceed 13% in 2028, and this will be driven by strong revenue momentum very well illustrated in the third quarter, but also tight cost and risk weighted assets discipline. We'll come back to this later.

Our strategic plan will be presented on 2nd February, followed by Deep Dives throughout the year, starting with CIB on 25 February. Our return on tangible equity and cost–income ratio targets will be much improved compared with our 2028 ambition, and this should allow us to accelerate our distribution based on a strong capital position.

TRAJECTORY | Earnings, capital & shareholder return a compelling story

This strong capital is well illustrated on slide seven. As you can see, our capital path has improved regularly in the last 15 years, and this has been combined with increased distributions to shareholders. We also expect our CET1 to exceed 13% at year end, and we will consider additional distribution on an annual basis and will provide more clarity on 2nd February.

Let me now hand over to Lars who will present our third quarter results on slide 9.

3Q26 & 9M26 PROFIT & LOSS STATEMENT

Lars Machenil
Group CFO

Thank you, Jean-Laurent. Good afternoon, everyone. I will not spend time on slide 9, as you know all our numbers, but all of our aggregates are very strong this quarter, and our cost–income ratio improved more than 2 points. Over the first nine months, our cost–income ratio fell to 59%, underpinning our target of 60% for the year.

REVENUES | Sustained growth across the board

Let me now move to slide 11, where you see that our revenues are up 9.5%. Let's look at the divisions. CIB had an excellent quarter with revenues up around 17%, up across all three divisions.

First, Global Banking accelerated sharply in the third quarter, as we anticipated in the second quarter. We maintained our number one position in EMEA investment banking amongst European banks and gained over 60 basis points market share.

Secondly, Global Markets was particularly strong, up 22%, including a 50% pickup for Equity and Prime Services, with revenues exceeding those of FICC this quarter and highlighting strong client appetite and client franchise. Turning to FICC. Revenues were stable at a high level, supported by APAC and forex products.

Finally, the third division, Security Services, grew 18%, taking advantage of high market levels, volatility, improved margins, and also the ongoing client onboarding. That's the first division.

Now let's look at CPBS, up by about 4%. As Jean-Laurent explained earlier, our eurozone commercial banks are enjoying very strong top line growth. And once again, a double-digit net income growth on the back of an interest rate environment that as you know, is quite favourable for us, notably thanks to the stability of our non-remunerated deposits. Moreover, client activity was strong, as illustrated by the healthy uptick in financial fees.

Specialised businesses benefited from improved volumes and margins when it comes to personal finance. Regarding Arval, let me start with the underlying momentum, which remains very strong. So, organic NBI growth was 12%, supported by fleet growth of 6% and growth in outstandings of around 7%. This strong momentum is currently being impacted by headwinds in the used car market across the industry, exacerbated by the geopolitical environment leading to higher fuel prices. And these higher fuel prices mainly affect ICE vehicles. Given the limited visibility on the conflict in the Middle East, our current assumption is that the trend in used car prices might continue.

Having this in mind, and given the average two-year life cycle of the vehicles, it would be reasonable to assume that the benefit from Athlon integration will be offset by used car sales. So, Arval and Leasing Solutions' Gross Operating Income will remain broadly stable in 2027 compared to 2026, and this before a pivot that is to come in 2028, which is based on the repricing of the vehicles of 2024 and a further improvement in 2029. So, no impact on our 2030 objectives.

Having said that, Arval is actively managing the environment through lease extensions, international remarketing and vehicle re-leasing, all showing strong traction.

Athlon will also improve the mix, with EVs representing 31% of its fleet at the end of the third quarter. And importantly, our long-term objectives, as I mentioned, remain unchanged. Used car sales should trend towards zero over time, making Arval's earnings increasingly driven by fleet management and recurring revenues rather than used car sales.

At Group level, our diversified model also enables us to offset this headwind, notably through the strong performance of CIB and the positive revision to our Corporate Centre guidance. So that's CPBS.

If I turn to the third division, IPS, revenues were up 5% thanks to strong commercial momentum, and we are pleased with the solid ramping up of the AXA IM integration.

OPERATING EFFICIENCY | +4.1 pts jaws including +2.8 pts in operating divisions in 3Q26

If, with this, we move to slide 12 and 13, where I would like to discuss our cost trajectory. Looking at slide 12, our jaws were very strong this quarter, 2.8 points for the operating divisions and 4.1 at Group level. All our businesses, except obviously Arval and Leasing Solutions, generated positive jaws between 2 and 11 points. This is something we are particularly proud of, as you can see in the performance of all the businesses at the bottom of the slide.

At Group level, we are on track for substantial cost–income ratio improvements still trending to below 56% in 2028, laying a firm foundation for our next strategic plan.

OPERATING EFFICIENCY | Maintaining momentum on efficiency gains

If, with this, we turn the page and we go to slide 13, where we show a chart you know well that reflects our cost savings: €200 million this quarter reaching €540 million year to date. The cost–income improvement is particularly impressive in CIB, but we are also very pleased with the strong progress in the Commercial and Personal Banking in Europe and Personal Finance. IPS will obviously benefit in 2027 from the significant acceleration in the synergies from AXA IM, and the restructuring charges booked in the Corporate Centre will reduce.

ASSET QUALITY | Cost of risk contained in a volatile environment

So let me now take a look at the asset quality and our risk profile on slides 14 to 16.

Cost of risk stands at 39 basis points this quarter, stable quarter over quarter and year on year. Compared with last year, the stage 3 provisions –the ones that are really linked to non-performing loans – are lower due to a specific file a year ago. Moreover, we did not benefit from stage 2 releases as we did last year. The evolution is therefore stable in basis points, but intrinsically an improvement on the S3. Bar an unforeseen step-up in geopolitical tensions, we anticipate the cost of risk to be below 40 basis points over the year 2026.

ASSET QUALITY | A long-standing track record of strong risk management

If we turn to slide 15, we remind you of our diversified risk profile by sector but it is also true by geography. So, as you know, we do not depend much on France, given the European and international profile of our client franchises. And given our platform, we are more and more international every year. If I illustrate, ten years ago, France pre-tax income was 20%, now it's 10% and below. Moreover, our exposure to French sovereign bonds is very limited, with only €3 billion of sovereign exposure that is at fair value via OCI, not even through P&L.

ASSET QUALITY | Cost of risk remains low across all business lines

So, if with this, we end the review on page 16 and you will see that both our Commercial and Private Banking in France and Belgium normalise from a low base and Global Banking also normalises from a high base, what I mentioned earlier, a year ago. Overall, we remain comfortable with our strong asset quality, which is stable at 39 basis points, as mentioned before.

With this, we leave the cost of risk and we go to the capital.

CAPITAL | CET1 ratio at 12.9% as of 30.09.26, expected above 13% by year-end 2026

If you can move to slide 17. So, our Common Equity Tier 1 reached 12.9%. And this evolution of ten basis points comes from the following elements. First of all, there are 40 basis points that are added from the net income, net of RWA growth. Of those 40bp there are 25bp that are deducted for distribution accrual to shareholders. And then, there are 10 basis points related to the OCI movement, given the spreads that we observed since August in the sovereign bond sector. And then there are 15 basis points from the acquisition of Athlon. So that leads to this evolution.

In the fourth quarter, we will continue to strengthen the net income, but we will also benefit from the disposal of BMCI, which is to generate around 15 basis points. And as well, we will see our accelerated capital generation and RWA optimisation, which typically falls at year end. As such, we expect to exceed the level of 13% at year-end.

All this paves the way for accelerated distribution. So as such, we stepped up earnings, stepped up capital and therefore, we feel comfortable to launch the share buyback on 10% of the full-year results already in November – so, next week.

SIU | We are well positioned to benefit from finalization of framework

As a reminder on slide 18, there is actually even more to come. The SIU, Savings and Investment Union, and in particular the securitisation framework, are progressing very well and are likely to get into force at the beginning of 2027. I remind you that this Savings and Investment Union represents a significant opportunity, on one hand, for CIB where we have the originate-and-distribute model, but also the asset gathering platform of IPS, further strengthened with BNP Paribas' Asset Management new and leading alternative asset capabilities. Also, CPBS is very well placed to increase with all these levers, its financing in the real economy.

CORPORATE CENTRE | Ahead of our trajectory

And so, let me conclude with the Corporate Centre on slide 21, where once again we have improved the guidance of gross operating loss after a nine-month performance that was better than anticipated. And as I mentioned just a bit earlier, we are adjusting our gross operating income trajectory from €-1.2 billion, and we improve it by €200 million to €-1 billion. I'll now hand it back to you, Jean-Laurent.

CONCLUSION

Jean-Laurent Bonnafé
Group CEO

Thank you, Lars. So, to conclude, our third quarter 2026 results are a very clear illustration of our acceleration while delivering strong balanced and resilient earnings growth, with Group revenues up 9.5% and an excellent cost–income trajectory. Our 2028 ROTE trajectory is on a fast track, supported by strategic levers that are already being executed.

Our earnings growth is accelerating towards a CAGR of more than 10% over 2025–2028, and with our CET1 trajectory we will consider additional distribution on an annual basis.

On 2 February 2027, we will announce the main targets of our next plan, taking us to 2030. We are well advanced in our preparation, with top-down and bottom-up processes now aligned. We'll provide you with our divisional trajectory and will continue throughout 2027 our series of Deep Dives starting with CIB on 25 February.

This concludes our presentation. We will now be happy to take any questions.

QUESTIONS AND ANSWERS

Delphine Lee (JP Morgan): Good afternoon. Thank you for taking my questions. First of all, just a very quick clarification on Arval, on what you said Lars. So, you're expecting the GOI, Gross Operating Income, to be stable in 2027 versus 2026 before improving in 2028. And I'm just wondering, because we're obviously seeing like a halving this year of the GOI. The swings are pretty large. If you could just clarify that. And how much recovery should we expect for 2028 and 2029?

The second question is, thinking about your guidance of growing the revenues in Commercial Banking in the eurozone by more than 5% per annum. Do you see any kind of risk to that guidance considering the more challenging environment, especially in France? Could that and the rate environment as well, impact volumes, deposit growth and the deposit mix? Thank you very much.

Lars Machenil: Yes, Delphine, thank you for your question. So, indeed what you have seen is that if you look at Arval, the GOI has been impacted in the third quarter. That impact was somewhat limited with Athlon coming in, but overall, indeed, you understood well, that the gross operating income will be stable in 2027 compared to 2026.

But again, as I mentioned, within 2027, there are other elements that will perform better. In particular, you've seen that our CIB is at a higher run rate, and I requalified our guidance for the Corporate Centre to be improved by at least €200 million.

And then on the Commercial and Personal banking in the eurozone, I remind you that our growth is stemming from several reasons. The growth that we guided for, a minimum of 5% growth year after year, is stemming from the redeployment of the non-remunerated deposits. And that redeployment depends on the rates. And the rates have a tendency to go up. So intrinsically, that would be even better. And so, we didn't take into account in that guidance any further stepping up of the deposits. So that is why we feel comfortable, given the environment where we are, and where the interest rates are, that we will deliver on this 5%, which could be even higher if there are further flows of incoming deposits. But in our guidance, we didn't count on that. So those would be the two answers, Delphine.

Delphine Lee (JP Morgan): Thank you.

Operator: Next question is from Tarik El Mejjad, Bank of America.

Tarik El Mejjad (Bank of America): Hi. Good morning. Just on revenues, please. And one of the compensating factors you mentioned on Arval was the CIB. So, you had amazing quarters for Q2 and Q3 in Equity and Prime Services. And I want to understand how much of this we can extrapolate, because it coincides with your, I would say, end of project of rebuilding or building the equity business. So how much is it just lifted by the market and actually how much is the higher run rate potentially you can deliver in this division? So, you are suggesting that this comes as an offset to Arval. Can you maybe explain a bit what's the upside there in 2027, because that comment was mainly done for 2027, I believe?

And the second question, still on CIB and Global Banking, there’s been, again, clearly a step-up as well in the revenues per quarter and that also came with higher RWA growth. Is this actually fully compensated by the SRT program you're launching of 10, 20 bps or 10, 15 bps per year? And how confident are you to see good ROE on this growth of revenues that clearly needed to deliver on the targets? Thank you.

Jean-Laurent Bonnafé: So, on CIB, it's a platform we've invested in since many, many years, a global platform. The platform is taking market share, I would say, worldwide. It's not just a European platform. We are posting excellent results in the US, throughout Asia and of course, throughout Europe. So, Global Markets, equities are to some extent volatile businesses, but those market shares are going to stay, and we will continue to grow and to expand. We have the technology, the offering, the services. And now I would tend to say we have the right franchise. So, this is the way we position that platform looking ahead.

Looking at Corporate Banking within CIB. Last year, starting with the second quarter, third quarter, because of a number of elements, we entered quite a weaker environment. Now we have repositioned the platform. Again, it's a global platform. It's not only Europe, but it's also the US, Americas and Asia. We are doing extremely well. We have exactly the range of services, comprehensive worldwide, to service those large caps. And yes, we have in our trajectory already positioned those risk-weighted assets that are necessary to sustain that growth.

But remember also, this is also an originate-&-distribute platform. So, we believe that this is going to bear very positive support in the years to come, especially in Europe where you will see this phenomenon accelerating. As of today, it's a bit shy, but it's coming. And again, for this, not only for BNP Paribas globally, but for the platform, for CIB, it's going to be one of the winning factors for the next years. So, the platform is there. It's a growing machine. It's not only posting very good results throughout Europe, but now it's also becoming something, I would say, larger. Asia is full of potential. And of course, the US and Americas globally.

Lars Machenil: And, Tarik, it's really an illustration of our originate-to-distribute model. If you look back, basically the risk-weighted assets at CIB, they haven't moved over the last years. And indeed, there is a bit of phasing within the year. So yes, there has been a pickup in the third quarter, and all of this will be offloaded in the fourth quarter. So, you know how this goes. The typical spikes in the securitisation are at year-end. We're really on track to offload all that growth.

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

Operator: Next question is from Giulia Miotto, Morgan Stanley.

Giulia Miotto (Morgan Stanley): Good morning. Thank you for taking my questions. So, the first one is on slide seven. So, I understand there will be a decision once a year on excess capital distribution. Can we expect this for Q2, I would guess, or full year results? And then secondly, does this mean that probably you will stick to 60% payout and then everything will be in excess once a year? And can we assume that the excess would be mostly distributed in buybacks because that's the most accretive way? So sorry, a lot of small questions on capital.

And then secondly, just a more top-down macro question. We have seen cost of risk miss this quarter. And if we look at the macro indicators for France, they're slightly deteriorating, if we look at the bankruptcies, if we look at the unemployment. Can you help us make investors comfortable that there is not a deterioration in asset quality coming. Thank you.

Jean-Laurent Bonnafé: On buybacks and the capital distribution, it's very simple. I cannot tell you precisely what's going to be the rule of the game for the next plan, because this has to be decided by the board, in the coming weeks. But we increased regularly the regular payout since 15 years. We used to be at 30%. In the current plan, we're at 60%. And clearly the bank, the company, is growing faster, being more efficient, being more competitive and profitable will originate more free cash flow and free equity. So, this is a good reason to increase the regular payout.

So, one possibility is to say we go from 60% to 70%. And on top we are going to return everything that is above 13%. Or you can say we stay at 60% and return everything that is above 60%. It's basically just the same. Probably the best way is to say 70%, because it gives additional confidence, and the upgrade is going to be most probably through buybacks. This is quite obvious. So, a trajectory could be moving from 60% to 70% out of which 20% is buybacks. And on top of that, excess equity that will be created over the plan. So, you can do the computation. But if we add more than 13% ROTE in 2028 and 15% in 2030, clearly, 70% is on a shorter period. It's kind of a minimum. There is weight for something that is meaningfully above 70%.

So, this is the situation. It will start based on the results of 2026 because at the end of the year, we will be above 13%. So, there will be some excess equity in the system to be distributed. One day, we will have some additional disposals, sooner we will close the plan. So, this will come on top of it. So, this is very much the way we are positioned.

On the situation in Europe and, let's say, our two major franchises, Belgium and France in Europe, commercial banks we really have the best franchises. So, we're very well positioned and we are absolutely not, I would say, afraid by the new cycle. Cost of cash, cost of money is higher, of course. The franchise is extremely strong and solid, and we do not anticipate a meaningful impact based on that situation. So, this is the vision we are having for the years to come for those businesses through the commercial business we are having short term.

Operator: Next question is from Sharath Kumar Deutsche Bank.

Sharath Kumar (Deutsche Bank): Good afternoon. Thank you for taking my questions. Coming back to Arval, I estimate around €300 million of used car losses in the third quarter. Can you confirm this figure? And you also spoke about a few measures to address residual value risk. But given fleet growth has been so steep in recent years, what more can you say to make us feel comfortable? And on Athlon, can you quantify the restructuring costs and its timing? So those are my questions on Arval.

And secondly, on Personal Finance, this is one more segment where your current revenue run rate is slightly below the mid-term guidance. So, how should we think about the impact in the wake of higher funding costs and likely lower loan generation. And also, are you confident in maintaining cost of risk around 150 basis points should there be further deterioration in the macro? Thank you.

Lars Machenil: Could you just rephrase your last question?

Sharath Kumar (Deutsche Bank): Yes. So Personal Finance, current run rate is below your mid-term guidance, so how should we think about the impact of higher funding costs? Maybe likely lower loan origination? And also, are you confident in maintaining cost of risk around 150 basis points should there be further deterioration in the macro environment?

Lars Machenil: All right. So, on Arval. You can deduce that we do not give guidance explicitly on the used car sales because, as we mentioned before, there's also a bit of a risk on what the competitors can read into it. But if you take our GOI, you can assume that this is the impact in the third quarter, which will be lower again in the fourth quarter given Athlon stepping up and rolling forward. On the fleet growth, how can we give you comfort that the pivot in 2028 will be there? It's basically that the overall pricing as of 2024 has been materially adapted. And so that's why we feel comfortable that the pivot will be visible in 2028.

On the integration costs with respect to Athlon, there will be over that period €170 million that is there to come.

And when it comes to Personal Finance, you do know that we have been restructuring it on different kinds of products but that still means that whenever there is a pickup in the cost of financing and the rest, that we will further adapt the pricing and the origination. So that is why, in our overall plan, we feel comfortable with the trajectory that we have given. But of course, as we have always done, we will adapt according to the situation.

Sharath Kumar (Deutsche Bank): Thank you. Can you reconfirm the costs for Athlon?

Lars Machnil: €170 million.

Sharath Kumar (Deutsche Bank): Thank you.

Operator: Next question is from Jacques-Henri Gaulard, Kepler Cheuvreux.

Jacques-Henri Gaulard (Kepler Cheuvreux): Yes. Good afternoon. To the first one, I think you've announced this quarter that you were merging FLOA with Cetelem. Is it a sign that you've been a bit disappointed by this acquisition? And basically, what are you going to do with the brand? And the second question, sorry, back to Arval. You've changed the CEO now coming from the most significant competitor of Arval in that market. I wanted to know what was the mandate, and pigging back on the former question, can we assume now that you're just not going to grow this market very much over the next two to three years? Thank you.

Jean-Laurent Bonnafé: Alain van Groenendael' departure, the CEO at Arval, is a planned move. It's something that is prepared since a couple of years, so there is nothing new and nothing that can be, I would say, linked from the current status of the business and this evolution. And again, nor Arval nor BNP Paribas are responsible for the disruption in terms of geopolitics and cost of energy, just to make it very simple. Looking ahead, we've been through that consolidation with Athlon to have, I would say, an even bigger critical mass. This is very important in that type of business. And clearly, especially in that type of a cycle we need to focus on the most disciplined approach. But it would have been just the same with Alain or not with Alain. This is just a simple fact. It's a new environment. And he's moving, but he's staying as the chairman. He's a great guy; we count on him. And there is a new person coming. Those transitions are always complex, but it's going to be just the same. The only point is the cycle is different. We have now reached a critical mass. And now, due to that factor and due to the cycle, we will opt, as you said, for very strict discipline. And this has started already this year. So, I hope I've understood your point.

Jacques-Henri Gaulard (Kepler Cheuvreux): Absolutely. Thank you.

Lars Machenil: On FLOA and Cetelem. The thing is, typically when we have an acquisition like FLOA, which is in particularly in the new technology, we leave it in standalone to develop all the technologies. And at the moment this becomes a maturing phase, we merge it with the other activities. So, there is nothing else to look into that.

Jacques-Henri Gaulard (Kepler Cheuvreux): Thanks a lot.

Operator: Next question is from Andrew Coombs, Citi.

Andrew Coombs (Citi): Good afternoon. First question, just to follow up on equities. One of your peers this morning called out a 33% increase in prime balances. If you could just talk to your prime balances, what you see in terms of increase year on year? Where you stand today and also what you're seeing on the margins on that business as well, please?

And then the second question, just on the French deposit migration. Small increase in term, but can you just remind us for every one percentage point moved to term, what's the impact on net interest income? Thank you.

Lars Machenil: Can you rephrase that last question?

Andrew Coombs (Citi): Yes. I was just saying in the French retail business, you've seen a little bit of deposit migration. The proportion of deposits sitting in term or time deposits has crept up by one percentage point. Just so we can think about the impact going forward, could you remind us of the sensitivity of that migration to net interest income? So, for every one percentage point migration, what is the impact on NII?

Lars Machenil: Right. On your question on the prime brokerage. So, you've seen that the growth has been quite strong. And so typically, the prime brokerage does hardly consume capital. It consumes somewhat balance sheet, but the overall consumption of the balance sheet remains very contained.

On deposits, when you look at the non-remunerated, they are basically stable in the third quarter. So, there might be a flow in the remunerated, but the non-remunerated are stable and the impact of €1 billion shift in deposits is basically €25 million impact on NII.

Operator: Next question is from Pierre Chédeville CIC, Market Solutions.

Pierre Chédeville (CIC Market Solutions): Yes. Good afternoon. One question regarding more globally your specialised businesses in terms of capital allocation, because we all see that these activities are not the most profitable ones in your business model, currently, but also, we feel, structurally speaking, if we compare with your platforms you have now in CIB and IPS, notably. And I was wondering if you could consider that a reduction of the part of capital allocated in these businesses should be an option, and for instance, continue to restructure, Personal Finance that you have done in the past, but you could continue. We have some rumours about that. I don't ask you to comment, but we know that you have some part that could be sold. And also I understand that it's scale businesses in leasing, but we have one of your competitors who clearly says recently that it doesn't want to allocate more capital on this business currently. So that would be my first question.

My second question is regarding OCI. Could you be a little bit clearer regarding the evolution of -10 basis points? I didn't catch it correctly. And what could be another impact in the coming quarter? How do you see that evolve? Thank you very much.

Lars Machenil: So, looking at Personal Finance in particular, as you said, we have continuously restructured, adapted the business in the past years. The next plan is going to be very much the same. We have to extract a better ROTE from that platform. The situation is quite different depending on the different markets. Not everything exactly, just the same. So, we are also looking at that situation this way. So, you can count very much on us to allocate what is, I would say, relevant and optimise the rest of the platform. So, this is simple. This is the strategy, and it's really part of the next plan. So, we'll continue the way we started years ago.

And then on the question with respect to the OCI. The easiest thing to say, if you would look at that, there is an evolution in the European sovereigns. So, if there would be another 50-basis-point spread widening, that would have a 10-basis-points impact on the common equity tier one. That's kind of the sensitivity.

Pierre Chédeville (CIC Market Solutions): Thank you.

Operator: Next question is from Stefan Stalmann, Autonomous Research.

Stefan Stalmann (Autonomous Research): Good afternoon. Thanks for taking my questions. I have two, please. First, I'm afraid goes back to Arval. We obviously have quite a sustained setback in industry conditions here, also listening to how you describe it. Is there a risk that the residual value in Arval actually has to be impaired at the end of the year? And maybe, could you give us a sense of how big this residual value actually is?

And the second question is, if I look at your business opportunities right now, you can make a new French mortgage and write it at maybe 3.5% or so, or you could buy a ten-year French government bond at 5%. Does that have any impact at all about how you think about your balance sheet and your business opportunities? Thank you.

Lars Machenil: So, first of all, on Arval, I understand your point. You have some volatility for the moment that makes the cars value lower, but we anticipate that at the end of this period, the cars will again be sold. And indeed the question is, should at some point in time the value become negative when you would sell it, this would trigger an impairment. At this stage, we are still very far above that level, so we don't see an impairment on the horizon.

When it comes to the sovereign, our overall stance is that just like for every investment, we want to be diversified, meaning typically if we have something, we don't want it to be much bigger than 1% of the overall balance sheet. I have a €3 trillion balance sheet, so let's say at €30 billion below is what it should be. And so, we're not going to stack up truckloads of it, but we are at €20 billion in the overall sense, so we will see what the opportunities are within that. But we're not going to materially step it up given our allocations.

Stefan Stalmann (Autonomous Research): Thank you very much.

Operator: Next question is from Chris Hallam, Goldman Sachs.

Chris Hallam (Goldman Sachs): Thank you for taking my question. So, first, on Arval, I'm just trying to stress test 2027 a little bit. Does the recent performance change how you think about the right cost base for the business, the level of integration synergies, etc? And is the combined entity disproportionately exposed to any specific brands? I know you have several OEM partnerships, and I guess within the auto space, there's a broad like UCS problem, but there's also some fairly big OEM market share shifts. So, I'm just wondering whether you're at risk of being on the wrong side of any of those changes on the volume side as well.

And then second question, should we see a higher payout ratio as a reflection that the Group has become less capital intensive from a growth perspective? And in the coming plan, if you have to choose between size and ROTE, are you going to go for returns? And in that context, which factors would determine your mix between dividend buybacks and ordinary versus extraordinary? I think you talked about it a little bit earlier, but I just wanted to triple-check on that.

Lars Machenil: I'll take the Arval first. As we mentioned, as of 2024, we clearly adapted the pricing of the vehicles. From that point of view, we feel we have that under control. On the diversification, it is very diversified. And again, with Athlon, although we bought the company from Mercedes, Athlon was a company before, so it is very diversified. And these are things that we validated during the due diligence, so we went through our portfolio, their portfolio, the combined portfolio. So we feel at ease when it comes to that.

On the payout, Jean-Laurent, I don’t know if you want to give some colour on the balance between share buyback and dividend payout.

Jean-Laurent Bonnafé: Probably, as I said, probably still to be decided. Additional distribution payout compared to the current plan will come probably again from additional buybacks.

Lars Machenil: And Chris, just to give you some colour. We had in the past, if you take 100% as the earnings we generate, there was 60% that we return to shareholders. There is typically 20% that we use to grow and so forth. And then the other 20% in the last couple of years has been used in this avalanche of regulatory supervisory elements. And so that has fallen away. So that is where we have more room. On top of that, our profitability will be stepped up. And at the same time, we have become a very complete business. Look at CIB, look at the things we have done with IPS. So intrinsically, we believe that we have the good footprint to grow very profitably. We will be more and more profitable. And so that is then how you should read the return to you, to the investor.

Chris Hallam (Goldman Sachs): Okay. Thanks very much.

Operator: Gentlemen, we have no more questions registered at this time.

Jean-Laurent Bonnafé: Thank you for your attention, once again. We will deliver the 2026 target and even more. We are well positioned for the next plan. Capital distribution will go up. We are prepared. The efficiency plan is almost up and running already. We have well positioned businesses, good risk profile and, let's say, globally as illustrated in the third quarter, the Group is in very good shape.

Thank you so much. We'll see you soon. And in particular on 2 February next year. Bye-bye.

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