# PRE-4Q24 RESULTS INFORMATION NOTE

Paris – 9 January 2025

In accordance with the ESMA statement, BNP Paribas has compiled the following items that were communicated during the fourth quarter 2024.

As mentioned by **Jean-Laurent Bonnafé, Group CEO of BNP Paribas** during the 3Q24 analyst call[1]: "*We confirm our 2024 trajectory from a revenue, jaws effect, cost of risk, and net income perspective. Concerning CIB, we continue to gain market share while retaining a balanced allocation of capital. The very good third quarter results illustrate this. Within CPBS, the outlook for commercial banks in the eurozone is improving thanks to a favourable shift in the interest rate environment related to the steepening of the yield curve, the stabilisation of loans and deposits, and the gradual reduction of the impact of headwinds on business growth. We are already seeing a slight positive trend in the third quarter, which should continue into fourth quarter, then in 2025 and 2026. Within IPS, third quarter results illustrate a strong momentum for asset management and insurance.*"

## Strategic announcements in 4Q24

**On 21 December 2024, after entering into exclusive negotiations on August 1st, AXA and BNP Paribas Cardif announced the signing of the Share Purchase Agreement for AXA Investment Managers (AXA IM).**

This signing follows the completion of the information-consultation procedure on strategic issues with the relevant employee representative bodies of both AXA and BNP Paribas groups.

"*This signing marks an important step in the acquisition process of AXA IM and our long-term partnership with AXA. In anticipation of the closing process, all teams are now working to welcome AXA IM's employees and customers into the BNP Paribas Cardif Group*" said **Renaud Dumora, Chairman of BNP Paribas Cardif, Deputy COO of BNP Paribas.**

As previously communicated, the agreed price for the acquisition and the long-term partnership is €5.1 billion, with the closing expected mid-2025 and an anticipated impact on BNP Paribas Group's CET1 ratio of 25 bps subject to agreements with the relevant authorities.

[1] Documents available on BNP Paribas investor relations website (3Q24 results presentation & transcript, press releases)

## Reminder 2024 trajectory

- Revenues growth greater than 2% compared to 2023 distributable revenues (€46.9bn);
- Positive jaws effect;
- Cost of risk below 40 bps;
- Net Income, Group share greater than the 2023 distributable net income (€11.2bn).

## Revenues

**Comparisons made year-over-year**

**CPBS - Commercial & Personal Banking (CPB) – 34% of the 3Q24 Operating divisions' revenues**

The stabilisation of loans and deposits observed in 3Q24, the end of the headwinds (end of the remuneration of mandatory reserves, issuance of retail bonds by the Belgian Government) that had affected the performance of our Commercial banks in the eurozone during 2024, and the steepening of the yield curve will be positive for the CPBS performance in 2025 with: revenues up by more than +3% for our **Commercial banks in the eurozone** and revenues up by more than 5% for **Personal Finance core perimeter**[1].

**In France**, activity in the 4th quarter remained impacted by political uncertainty as illustrated by PMI indices (the HCOB France Manufacturing PMI dropped to 41.9 in December 2024, down from 43.1 in November and 44.6 in September). In addition, according to *Banque de France*, households' current account deposits fell 3% at end November 2024 in comparison to end September 2024 (minus EUR15bn).

**In Belgium,** a fierce competition among banks is ongoing following the issuance of retail bonds by the Belgian Government in September 2023. As a reminder, CPBB had a different strategy from peers with a diversified offering combining deposits and off-balance sheet products generating positive margins in a declining rate environment.

**In the Europe Mediterranean division**, compared to 4Q23, a scope effect is to be taken into account following the reconsolidation of our activities in Ukraine (60% stake in Ukrsibbank) effective since 1 January 2024 (3Q24 data: revenues: +€74m; operating expenses: -€37m; cost of risk: +€3m (release), Pre-tax income: +€40m).

For our activities in Türkiye, the IAS 29 standard linked to hyperinflation will continue to be applied with a CPI at c.+6% as of 31 December 2024 (compared to 30 September 2024).

In Poland, a limited amount of additional provisions for CHF mortgage loans are expected to be booked in 4Q24 Other net losses for risks on financial instruments, being partially offset by a provision release on credit holidays.

**CPBS - Specialised businesses – 19% of the 3Q24 Operating divisions' revenues**

As seen since the beginning of the year, the performance of car fleet leasing business, **Arval**, continues to be impacted by the normalization of used vehicle prices from high levels. The guidance given at the 3Q24 result conference call was a 10% decrease year over year per quarter of the combined businesses Arval & Leasing Solutions until end 2025, equivalent to a decrease of €400m in revenues compared to 2024.

[1] Strategic perimeter, post geographical refocusing

As seen in 3Q24, **Personal Finance** continues to successfully implement its adaptation plan centered on the geographical refocusing of activities in the eurozone, and reorganization of the operational model.

**IPS – 13% of the 3Q24 Operating divisions' revenues**

BNP Paribas held a Deep Dive call focused on Insurance on 11 December 2024. The transcript is available on the investor relations website. The closing of the AXA IM acquisition by BNP Paribas Cardif is expected for mid-25 with the contribution of the entity to be booked in the **insurance business.**

As a reminder, European investments in the real estate market are stabilizing gradually over 9M24, but levels remain much lower than before 2022. 9M24 is indeed 30% below the 5-year average. **BNP Paribas Real Estate** business, booked in the Asset Management division continues to be penalized by the economic context.

**CIB – 35% of the 3Q24 Operating divisions' revenues**

Reminder of details previously shared on **Equity & Prime Services** business and geographical mix to assess the expected performance of the business:

- Business mix: 50% Derivatives, 10% Cash Equities, 40% Prime Services.
- Geographical footprint skewed towards EMEA, as illustrated by the graph presenting market share evolution of Global Equities (slide 8 of the Equity & Prime Services Deep Dive).

In **Global Banking**, BNP Paribas continues its growth momentum as illustrated by its status as #1 European bank in EMEA IB revenue by bank with an overall #4 ranking and a market share of 4.9% according to Dealogic FY24 reports (scope= M&A fees, ECM, DCM and syndicated loans).

## Costs

After achieving €655m of savings at the end of 3Q24, the remaining portion of the cost saving program (€345m) should be delivered in 4Q24. The breakdown of these cost savings by operating division is as follows: 56% in CPBS, 33% in CIB, and 11% in IPS[1].

One-off costs related to restructuring, IT, and adaptation costs expected in 4Q24 should be in line with those reported in 3Q24 at around €150m. They are booked in the Corporate Centre.

## Foreign exchange rates

The average exchange rate USD / EUR stood at 0.938 on 31/12/24 (i.e. +3.0% q-o-q and +0.9% y-o-y).

The average exchange rate TRY / EUR stood at 0.027 on 31/12/24 (i.e. +3.9% q-o-q and -10.9% y-o-y).

The average exchange rate PLN / EUR stood at 0.2322 on 31/12/24 (i.e. -0.5% q-o-q and +2.5% y-o-y).

## Tax rate

Following a lower tax rate posted in 2Q24, the FY24 tax rate guidance is expected to be below the lower end of the 27-28% range.

For a specific disclosure on taxes paid by country, please refer to the 2023 Universal Registration Document in Chapter 8, page 778.

[1] Documents available on BNP Paribas investor relations website (3Q24 results presentation & transcript, press releases)

## CET1 ratio evolution[1]

Press release on the Notification by the ECB of the 2024 Supervisory Review and Evaluation process (SREP) issued on 11 December 2024:

*The Common Equity Tier 1 (CET1) requirement that the Group has to respect as of 1st January 2025 on a consolidated basis is 10.29% (excluding the Pillar 2 Guidance) compared to 10.27% (excluding the Pillar 2 Guidance) as at 30 September 2024. It includes 1.50% for the G-SIB buffer, 2.50% for the Conservation buffer, 1.14% for the Pillar 2 Requirement (P2R) and 0.65% of countercyclical buffer (based on RWA at end September 2024).*

CET1 ratio stood at 12.7% as of 30 September 2024. The dividend policy accrual of 60% is taken into account in the CET1 ratio. As mentioned in 3Q24, securitizations were concentrated in the fourth quarter of the year and should represent c.10 basis points. Closing of the acquisition of Neuflize to be booked in 4Q24 (few bps). CET1 target for 2025 stands at 12%.

## Main issuances in 4Q24

**Tier 2**

On 8 October 2024: SGD 550m, 10.5NC5.5, fixed rate note 3.95% (sa, ACT/365)

On 12 November 2024: $1.75bn, 11NC10, 5.906% coupon (sa, 30/360), equiv. US Treasury + 148 bps

On 26 November 2024: A$1bn, 12NC7

- A$400m (Fixed): 6.198% coupon (sa, 30/360), equiv. SQ ASW+200 bps
- A$600m (FRN): 3m BBSW +200 bps

## Upcoming earnings releases

| | |
|---|---|
| 04 Feb. 2025 | 4Q24 earnings reporting date |
| 24 Apr. 2025 | 1Q25 earnings reporting date |
| 24 Jul. 2025 | 2Q25 earnings reporting date |
| 28 Oct. 2025 | 3Q25 earnings reporting date |

[1] Documents available on BNP Paribas investor relations website (3Q24 results presentation & transcript, press releases)

## Investor relations contact

Bénédicte Thibord
Head of Investor Relations and Financial Information

**Equity**
Raphaëlle Bouvier Flory +33 (0)1 42 98 45 48
Lisa Bugat +33 (0)1 42 98 23 40
Didier Leblanc +33 (0)1 42 98 43 13
Olivier Parenty +33 (0)1 55 77 55 29
Guillaume Tiberghien +44 77 21 41 42 19

**Debt & Rating agencies**
Didier Leblanc +33 (0)1 42 98 43 13
Olivier Parenty +33 (0)1 55 77 55 29

*Please note that the Investor Relations team will be in quiet period starting on 15 January 2025.*