BNP Paribas

Second Quarter 2026 Results

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List of MAIN speakers	Company	Job title
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RESULTS SECOND QUARTER 2026

Jean-Laurent Bonnafé
Group CEO

Good afternoon, ladies and gentlemen. We are proud to present very strong second quarter results, which further strengthens 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, something that is not yet fully reflected by consensus. Our CET1 is now at target, paving the way for accelerated distributions in the future.

2Q26 RESULTS | Strong 2Q26 results driven by double-digit revenue growth and the execution of transformative strategies

I will first start with a summary of our results on slide 4. Q2 amplified the solid positive trend we showed in the previous quarter. Revenues rose at a very strong rate of 12%, a level we hadn't seen for a decade. Jaws effect was just shy of 3.7 points at constant scope and exchange rate, and is at 1.6 points on a reported basis, reflecting largely the impact of the AXA IM integration. Cost of risk was stable at 39 bps, including €95 million of addition to S2 provisions for geopolitical environment and remains within our guidance of less than 40 bps, which we observe through the cycle. All in all, this means that operating income was up nearly 16%.

Below the operating income line, we obviously also have the Ageas/AGI transaction, which means that net profit was up by a third. Beyond our very strong earnings, we also continued to deliver on capital. Our CET1 reached 13%, up 20 basis points, meaning that we have already reached our target previously set out for end of 2027. I will come back to our distribution outlook in a few minutes but let me mention that we will be paying an interim dividend of €3.23, equivalent to 50% of our first half 2026 EPS.

Obviously, having reached the milestone of 13% was important, but we intend to continue and build capital.

If we focus on our revenues, they are up 12% with well-balanced growth between the businesses. More than two thirds of our businesses generated revenue growth in excess of 9%. CIB revenues accelerated sharply, up 13%, driven by Global Markets and Security Services. Furthermore, Global Banking pivoted this quarter, and we see a strong momentum moving forward into the second half of this year. CPBS revenues maintained a very positive upward trend, up 5%, helped by strong NII and commercial momentum illustrated by increased financial fees. CPBE was particularly impressive with revenue up 9%.

Finally, IPS grew 27%, or more than 8% at constant scope, supported by market effect and organic growth in all divisions.

2028 TRAJECTORY | Our growth trajectory is underpinned by a supportive rate environment

Let's now move to slide 5, which highlights the positive momentum in the rate sensitive part of CPBS, namely our commercial banks in the eurozone and Personal Finance. The second quarter accelerated further, with revenues up 8.2%. This very strong top line growth reflects the strong momentum we expected and translates into a sharp profitability increase. Our deposit mix remains stable, enabling the reinvestment of our non-remunerated sight deposits on the mid- to long-term end of the curve. Based on the current economic outlook, we expect this favourable environment to extend well into our next strategic plan, taking us through to 2030. CPBS profitability will also improve substantially thanks to the strategic plans that are already well underway.

2028 TRAJECTORY | We confirm our targets and continue to improve our profitability

This is well illustrated on slide 6. After a strong first half 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 our double-digit growth target over 2025–2028. We expect our ROTE to exceed 13% in 2028, and this will be driven by strong revenue momentum, very well illustrated in the second quarter, but also tight costs and RWA discipline. We will come back to this later.

As you see on the right, we are already well advanced in the execution of our strategic plans. We recently presented Belgium and will present BNL in Italy on 18 November. Arval will follow in the first half of 2027 once the Athlon acquisition is underway. These plans cover most of CPBS and close to half of the Group's RWAs. They all contribute to our ROTE trajectory and share a very ambitious cost–income ratio improvement, as well as disciplined RWA growth. Overall, we expect our cost–income ratio to fall below 56% in 2028, with a lot more improvement to come by 2030. Finally, our CET1 at 13% already meets our target and will consider excess capital for distribution on an annual basis.

2028 TRAJECTORY | A clear path to double-digit net income and EPS growth by 2028

On slide 7, allow us to remind you of our key targets: double-digit earnings and EPS growth for 2025–2028, a minimum 60% payout policy from 2027.

EQUITY STORY | We leverage complementary leading franchises to accelerate growth, profitability and shareholder returns

On slide 8, we summarise our equity story ahead of our strategic plan that will be announced at our fourth quarter results on 2 February 2027. Our business model is in fact simple. We have a very well-balanced model, both by activity and by geography. It's uniquely powered by cross-selling across business lines, accounting for one third of our revenues. And importantly, each of our three main divisions is on a clear profitability improvement path. In CIB, we have built a division at scale with strong positions across products and regions. Our Originate & Distribute model is well positioned to benefit from the Savings and Investments Union, supporting further market share gains in the context of the looming investment supercycle.

In CPBS, we are accelerating profitability through self-help and AI tailwinds and strategic initiatives aimed at improving platform efficiency, while maintaining disciplined capital management.

Finally, in IPS, we are building a leading asset gathering platform, supported in particular by the significant scale we have now achieved following the AXA IM acquisition.

EQUITY STORY | Structural support functions transformation program: from Plan to Execution

Let's now move to efficiency improvement on slide 9. Earlier in the year, we announced a comprehensive review of our support functions with a view to sharply amplify the annual savings from €700 million annually to €1 billion. We will pool and streamline our application portfolio, amplify the use of AI and simplify our organisation, optimising processes and reducing silos. All divisions, geographies and functions will be impacted by our actions, with an addressable cost base of €15 billion.

Focusing on IT support functions, which account for roughly half of the addressable cost base, we have already identified around 80% of the savings targeted by 2030. Importantly, we expect approximately 25% of these savings to be delivered as early as 2027. We will hit the ground running in our next plan. This provides a good illustration of how advanced our preparation work already is. It also gives us confidence that the improvement in our cost–income ratio can accelerate to around 2 points per year from 2027 onwards. We will announce our 2030 targets early next year, but we clearly see a path towards a cost–income ratio of around 50% over the time.

Before handing over to Lars, let me say a few words on AI on slide 10.

EQUITY STORY | AI at the heart of our 2027–2030 Plan

Of course, AI represents a significant opportunity for us to enhance value creation across the Group and we will accelerate its deployment in an industrial manner. To support this ambition, I chair the Group AI Strategic Committee, ensuring strong governance and clear priorities. We'll focus on high-impact use cases with ROI, with cost control and cyber risk at the heart of our approach.

We'll share more details with you when we publish our strategic plan early next year. Beyond what we can achieve with AI internally, we also see a significant revenue opportunity from the investment supercycle. Capturing this opportunity will require origination and distribution capabilities as well as investment vehicles to finance future projects. Our integrated business model is well positioned to benefit from this.

Let me now hand over to Lars, who will present our second quarter results on slide 12.

2Q26 SIMPLIFIED PROFIT & LOSS STATEMENT

Lars Machenil
Group CFO

Thank you Jean-Laurent, and good afternoon, all. I will not spend time on slide 12, as in the meantime, you know all our numbers, but zoom on slide 13 where I want to highlight the significant capital gain we booked on the AGI/Ageas transaction for €858 million.

2Q26 EXCEPTIONAL ITEMS

We are particularly pleased with it, not only because of the capital gain, but as it contributes directly to increasing our common equity tier one. It also improves distribution to shareholders to the tune of €0.50 per share, and it will add €40 million of annual recurring earnings starting next year.

So, if we now go back to the business, and let's look at slide 14.

REVENUES | Double-digit organic and reported growth

You see our revenues are up 12%, or 10.4% at constant scope and exchange rates. Let's first look at CIB. CIB had an excellent quarter with revenues up 13%. First, Global Banking pivoted in the second quarter as FX and rates headwinds that we saw before eased. We maintained our number one position in EMEA investment banking amongst European banks. This quarter, we also ranked number three in M&A, and we see a strong pipeline for the second half of the year.

If we turn to Global Markets, which was particularly strong, up 17%, including Equity and Prime Services, which was up 43%. When we look at FICC, EPS is matching FICC revenues. FICC was stable compared to a high base last year. Remember, there was a lot of volatility a year ago in April.

The third division is Security Services. It grew by 17%, taking advantage of high market levels, volatility, but also improved margins and client onboarding.

If we move to CPBS, up 5%, and as Jean-Laurent explained earlier, our eurozone commercial banks are enjoying very strong top line growth and double-digit net interest income growth on the back of an interest rate environment that is quite favourable to us, now and going forward.

Moreover, client activity was strong, as illustrated by the healthy uptick in financial fees. If you then look at the specialised businesses, they benefited from improved volumes and margins at Personal Finance. Arval recorded double-digit organic growth, but obviously the geopolitical environment and rising gas prices continue to impact used-car sale results.

We now turn to the third one – IPS. The reported 27% revenue growth reflects the successful integration of AXA IM. Having said this, the division reported about 8% organic growth even at constant scope, thanks to strong business momentum in each of the three divisions. Assets Under Management were boosted by, on one hand, strong inflows and also market performance.

Let's now move to slide 15 and let's look at the costs.

OPERATING EFFICIENCY | +1.6 pts jaws including AXA IM, in line with 2026 guidance
+3.7 pts organic jaws driven by operating efficiency

On slide 15, if you look at the top left, you can see that our jaws reached 1.6 points, or 3.7 points at constant scope and exchange rates. So, all in all, at constant scope, costs grew around 6%, of which about half are variable costs that are linked to the strong revenues, 2% for development, and about 1% due to inflation in particularly in Europe Mediterranean.

If we look at the Group level, we keep on track for substantial cost–income ratio improvements, still expecting it to be below 56% in 2028, laying a firm foundation for our next strategic plan ramping up to 2030.

As you also see now, on the opposite side to the bottom right, a significant portion of the restructuring charges for AXA IM integration will be booked this year. This is one of the factors explaining the difference between the reported jaws effect and the jaws effect at constant scope. We've looked at the top line, we've looked at the costs, let's now look at the asset quality. And we do this on slides 16 to 18.

COST OF RISK | Cost of risk contained in a volatile environment

On slide 16, you see the cost of risk reached 39 basis points this quarter in line with the first quarter. The intrinsic cost of risk is stable year on year. And we reinforced our forward-looking provisions by €95 million. We booked that in the Corporate Centre. So, you will see that in the divisions cost of risk is stable, and that €95 additional million is to reflect the geopolitical environment. So, bar an unforeseen step-up in these geopolitical tensions, we anticipate the cost of risk to be below 40 basis points over the year 2026.

In particular, as I mentioned, on the divisions table, if you look at Stage 3 provisions, they showed no deterioration, and we remain comfortable with the quality of our portfolio.

Let me emphasise once again that we are very diversified with little reliance on the French economy. I remind you, we have less than 10% of our profit before tax in France.

COST OF RISK | Risk remains low across all business lines

I will not comment on the review per business, but you'll find the details on page 17.

COST OF RISK | We have a long-standing track record of strong risk management

We can now move to slide 18, where we provided an overview of the strong risk culture through the cycle. Indeed, our portfolio offers significant sector diversification and high exposure to investment grade counterparts. This enables us to reduce the volatility of our cost of risk. We also want to remind you of our selective approach to all credit, and private credit in particular, which accounts for3% of our loan book. And 90% of that 3% is Senior Portfolio Financing.

Moreover, this segment has no NPLs and is built on conservative standards with moderate loan-to value, high diversification and exposure to the strongest private credit players, providing further collateral.

CAPITAL| 13% CET1 ratio achieved ahead of schedule

Let's now look at the regulatory metrics on slide 19. As mentioned by Jean-Laurent, our CET1 reached 13%, up 20 basis points over the quarter, delivering our target – we had the ambition to be at 13% end 2027; we reached it 18 months earlier. This shows our commitment to building capital and positions the Group for accelerated distribution in the next strategic plan. And so, the improvement this quarter basically stems, on one hand, from the very solid results. Those solid results, with contained RWA growth, generate 30 basis points of CET1.

Two thirds of that goes back to the investors. There's 20 basis points that is accrued for distribution. And then there is a 10 basis points perimeter which is the AGI/Ageas deal. Note that in the second half of this year, the impact of the acquisition of Athlon, which is coming in the third quarter, will consume around 13 basis points, but this should be offset in the fourth quarter by the divestments of BMCI in Morocco.

So that's the capital. But it's not only the capital that is doing well; it's also liquidity. We reported a very high LCR at 149% this quarter – up from 125% a quarter ago. This highlights our strong ability to manage our balance sheet.

SRT | A tightly managed part of our capital framework

As a reminder, on slide 20, we wanted to give the overview of our SRT and our credit insurance programs, which we have discussed before. As of today, we have a cumulative RWA benefit of around €63 billion, which is equivalent to ~90 basis points of CET1. Our priority is to diversify our SRT so that it's not all happening in one moment and on one sector. And, as you can see, we are doing that very well. And we also complemented with credit insurance in order to optimise the setup here.

This gives me the opportunity to update you on the progress, of the Savings and Investments Union, which you can see on slide 21.

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

From what we understand, in the second half of the year, the European trilogue should be completed. The Commission, the Council and the Parliament have paved the way for the first phase of SIU implementation in 2027. SIU represents a significant opportunity for Europe, but in particular for our CIB Originate-&-Distribute model, but also for IPS asset gathering platform, further strengthened by BNP Paribas Asset Management's new and leading alternative assets capabilities.

And also in the meantime, CPBS will be well-placed to increase its financing in the real economy.

CORPORATE CENTRE | Adjusted trajectory

Let me conclude on slide 30 with the Corporate Centre. We are adjusting our trajectory after a first half performance that was better than anticipated. While we acknowledge that the Corporate Centre can be volatile from one quarter to another, we now expect a better outcome for the full year than previously thought and guided on. We are therefore adjusting our gross operating loss trajectory from €1.4 billion to €1.2 billion – very much in line with the consensus. And let's not forget this is a sizeable amount, but it includes €800 million of restructuring charges, half of which are related to the integration of AXA IM.

I'll now hand it back to Jean-Laurent, who will offer some final remarks and conclude the presentation.

CONCLUSION

Jean-Laurent Bonnafé
Group CEO

Thank you, Lars. So, second quarter results are a very clear illustration of our acceleration while delivering strong, balanced and resilient earnings growth, with Group revenues up 12% and positive momentum across all divisions. Our 2028 ROTE trajectory is on a fast track, supported by strategic levers that are already being executed. Costs remain tightly controlled, and we're making strong progress on the program to overhaul our support function, which will start to deliver benefits as early as next year. We expect our cost income ratio to fall below 56% by 2028.

Our earnings growth is accelerating towards a CAGR of more than 10% over 2025–2028. And with our CET1 now at target, we'll consider additional distribution on an annual basis. In February 2027, we will announce the main targets of our next strategic plan taking us to 2030. We are well advanced in our preparation, with top-down and bottom-up processes nearly fully aligned now. We'll provide you with all divisional trajectories, and we will continue throughout 2027 our series of deep dives, notably CIB. These deep dives provide you with insight about our strategy, action plans and financial ambitions. Both externally and internally, these deep dives get significant recognition.

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

QUESTIONS AND ANSWERS

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

Tarik El Mejjad (Bank of America): Hi. Good afternoon, everyone. Thanks for taking my questions. I have two, please. First on Global Markets, I want to understand the Q2 strong performance, how much of it is sustainable. Can you tell us in the equities which part is derivatives, which part is client demand versus pure volatility benefits? And would you qualify it as a super exceptional quarter or a quarter that could be largely repeated if the current geopolitical and macro environment persists? And then on Global Banking, you had RWAs up 5% quarter on quarter. I know it's going to be lumpy. Should we expect some more optimisation through different tools to bring down RWAs there because the revenues have not really showed up yet in the quarter despite the big RWA increase. So that's my question on CIB.

And then on distribution, I think in the slide you removed the 60% payout confirmation that you had in previous slides. Would you consider if, let's say you do a buyback in Q4 calendar, and then start the higher than 60% payout already with 2026 earnings into 2027 calendar, or is it clear that it would be really from 2027 earnings that you would pay more than 60%? Thank you.

Jean-Laurent Bonnafé: On CIB, and looking at Global Markets, this very strong performance is derived from, in particular, equities. And what we are seeing is both the result of a certain level of volatility, market that was expanding, but also a strategy of continuous investments, especially in structured products. Structured products, for example, in the US we’re number four today. In APAC, we are just the same with roughly 9% market share. We're also having momentum in anything that is Prime Brokerage. So what we are having in the second quarter is of course, the momentum derived from the global environment in those businesses, but also the fact that we have continuously invested in those domains with good results and good market share gains.

Global Banking: those RWAs are very much linked to the ramp-up during the second quarter. And this is very much a phenomenon that took place at the end of the quarter. And that 5% growth in RWA does not, I would say, represent the evolution of the second quarter, but it gives an idea of what is coming for the second part of the year. This division is having a very good, strong prospect for the second half. And to some extent, the RWA evolution is an early signal of this upcoming evolution.

On distribution, as of today, the policy for the 2026 plan is 60% – 50% being the dividend and 10% being the buyback. Yes, it could happen that the 10% might be, I would say, enforced in the fourth quarter, like last year. This is a possibility. We have not decided yet. And then when you are saying above 10%, this will be a new decision in terms of additional distribution. It's difficult to say if it's linked to 2026 or 2027. We are going to close the yearly accounts end of January 2027. And at that moment, probably, or in between that moment and the General Assembly, we will make a decision on the excess. So, this is coming in 2027, and you can say it comes from the 2026 results. This is something that can be read in the two dimensions.

So this is the way it is. 13% is our target. We are at 13%. Anything that is above, will be considered either for additional distribution, or additional investment, to be decided by the Board. And this comes on top of the 60% policy. Of course, for the next plan, we will have to set a new policy in terms of distribution and buybacks. This is going to be a piece of the new term plan. And clearly, it's going to be higher than the one in the current plan because the company is more profitable.

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

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

Stefan Stalmann (Autonomous Research): Good afternoon. Thank you very much for taking my questions. I wanted to ask about the LCR ratio, which saw a spike in the second quarter. Was there any particular reason to that, or was it a bit of a random number at quarter end? And regarding Arval, I guess, back of the envelope, the business has probably lost around about €200 million on the sale of used cars in the first half of the year. Can you give us any indication of whether this is going to get worse before it gets better or what we should expect to see maybe through to the end of the year? And is there any need to revisit your residual value more fundamentally? Thank you very much.

Jean-Laurent Bonnafé: For the LCR, we are having this quarter 149%. We're going to integrate Athlon on the 3rd of August. So we have to prepare for that, you need to have the liquidity up front. Athlon is roughly 12 to 14 percentage points. On LCR, we want to operate at 135%.

Through the cycle, 130%–135% is the target. We are preparing for the integration of Athlon. It is nothing very specific about the LCR. It's a good testimony that the company can tap any kind of pool of liquidity worldwide in a number of domains through a number of different businesses. So, we have absolutely no difficulty upgrading or pushing up the liquidity ratio if needed. And here there was something specific to Athlon.

On Arval, the business, as you know, was hit in the beginning of March because of the war in the Gulf. This environment remains very much volatile. It's difficult to understand exactly what's going to be the future. But we are, I would say, quite conservative. We have norms and an accounting approach that are quite conservative. We tend to adapt upfront the residual values of the cars we are having. This has an impact on the top line beyond, let's say, the day-to-day business. It's not a loss that is being made on cars we are selling. We are not posting losses in that domain, but we are anticipating something that could be slightly below a former provision. We are doing that in a quite conservative way. It has an impact and it's moving because the environment is volatile.

If you look at the consensus for the second half of this year, probably as of today, the consensus is still too high by €100 million. But you have so many other businesses that are delivering better results, in particular the commercial banks in the euro area, thanks to, in particular, the rate scenario, the steepening of the curve that is even higher than anticipated. This is going to be compensated in the company one way or the other. This is just information on Arval, but this doesn't change the global outlook.

Lars Machenil: Because intrinsically Arval is doing very well. If you look at the fleet, it's growing by 5%. And given the fact that we not only finance but also sell other services, the top line is basically up 12%. There is this weight on the resale of the cars, which as Jean-Laurent mentioned, for the second half, and it would be a similar amount compared to the consensus again in 2027.

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

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

Giulia Miotto (Morgan Stanley): Hi. Good morning; and good afternoon, rather. Thank you for taking my questions. I have two. So, you are providing a very useful slide on SRTs, and you are 90 bps at the moment. What is the go-to level here on SRTs? Is 100 bps a good level? Could you do more perhaps? And could things change with the securitisation reform? So that's my first question.

And then secondly, Jean-Laurent, I heard much more conviction on costs and the path to 50% cost income. And what makes you confident? How quickly can you get there? I would be curious. Perhaps you learned something new on AI? So, I would be curious on your take on the costs trajectory.

Lars Machenil: Giulia, I'll start with the SRT and then Jean-Laurent will continue. On the SRT, as you mentioned, it's an important part. If I express it in basis points, we have a gain of 90 basis points. As I mentioned, we do this over time. We don't have it all in one go. On average, on the incidents of the past, there is like ten basis points falling over. We do an additional 20 basis points every year. If you look at it, we have the intention going forward, and this is before the Savings and Investments Union, to have ten basis points a year. If you look over the last couple of years, that is what we have been doing. That is what we continue to do. And as I said, that is before the SIU. Jean-Laurent, on costs?

Jean-Laurent Bonnafé: On costs: In the current plan, we are having every year an additional €700 million of efficiency. The initial target used to be €600 million. Two parts: One was the infrastructure of the company, the functions – €300 million per year. And the second half, the interface in between the bank and customers – €400 million. We grew and invested quite a lot in the current plan and also in the previous one. And when you are investing a lot, increasing the level of diversification, increasing the momentum in a number of domains like CIB, Asset Management, Wealth Management, and so on, Insurance, when you are pushing quite far in terms of digitalisation in the commercial banks, it's slightly trickier to also completely leverage the infrastructure of the company. Most of this is done, so we can now tackle those domains. The central functions represent basically €15 billion. Out of it, we will cumulatively extract €2.4 billion over the period, or €600m a year, i.e. doubling the €300 million that were coming every year from the functions to €600 million.

On top of these annual €600 million savings on central functions, we will continue on a yearly basis to deliver €400 million at business line level, as in the previous plan. So this will represent a total €1 billion savings per year compared with €700 million in the previous plan. We're very well advanced. We are looking at this situation since August 2025. So now we are one year later and our bottom-up-top-down approach now is close to the conclusion, and more than 80% of those €2.4 billion over the period of €600 million per year are now clearly identified and we are having plans and actions, so we are quite confident on our ability to deliver.

Giulia Miotto (Morgan Stanley): Thank you.

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

Pierre Chédeville (CIC Market Solutions): Good afternoon. First question regarding asset management and Q2. The net inflows were only €6 billion compared to €15 billion in Q1, if I'm correct. I wanted to know if you consider this figure a little bit disappointing and if there is any specific reason. My second question is relating to the likely operation in Germany that we all have in mind. And I wanted to know if you consider that it's a game changer, first, from your ambitions in Germany regarding the Mittelstand customers, but also from a more global view on the European banking landscape. What do you think of the potential birth of a new giant at the European level? Thank you.

Lars Machenil: I'll start on Asset Management. Between quarters, you can have some difference in volatility and demand. If you look at the overall evolution, we've guided for 4% growth. We are above that. So there is nothing else to read into this.

Jean-Laurent Bonnafé: On Germany, tendentially, this is an operation that is very much around private individuals, SMEs. And this is not typically the domain in which we are really operating in Germany. We're very much an investment bank, a global bank in Germany, with wealth management, asset manager, car fleet financing, specialised consumer lending, which is not typically a business competing with commerce. We are not in the SME domain. So for us in Germany, it's neutral. We have nothing that can come from this transaction, nor in a negative or positive way. If I understand well the point.

Lars Machenil: But anyway, I mean, if you look at it intrinsically, as you know, there are many banks in Germany, so the trend for consolidation is logical. But for us it is not in our space.

Operator: Next question is from Delphine Lee, JP Morgan.

Delphine Lee (JP Morgan): Yes. Good afternoon. Thank you for taking my questions. Just two quick ones. I just wanted to come back on capital. So you target 13% CET1 ratio in your new plan. I'm just trying to think a little bit about your approach on distribution. Would you want to distribute all the excess above 13% or keep some kind of buffer, or set some capital aside for investment? Just if you could share a little bit your thoughts about the general approach. And, also related to capital, is the intention still to deliver the 20 to 30 basis points of capital benefit from disposals by 2027?

And then my second question is on BNL, where NII is still a little bit under pressure. Just kind of wondering when we should see that inflection point and improvement on margins. Thank you very much.

Jean-Laurent Bonnafé: 13% is 13%. It's not 13.2% or 13.3% or 13.4%. It's 13%. So above 13% starts at above 13%. So this is very simple. And bps are coming from organic generation of equity or disposal or both, but they are just equity, so we do not make a difference in between additional equity coming from divestments or additional equity coming from organic generation. So, once a year, the Board will have to take a decision, having in front of the eyes a certain level that is going to be above 13%. And we'll have to decide which amount they will distribute on top of the regular distribution. Once again, for the next plan, this could be different, meaning higher than in the current plan. So, we could say instead of 60%, we could say 70%. This is a possibility. It's not decided, but it's a possibility.

And then even at 70%, there is a possibility that even at 70%, on a regular basis, the Group might generate additional equity. So back again, you will have to decide year after year how to distribute additional dividends or buybacks.

On BNL, the balance sheet is very much a fixed rate balance sheet, because the strategy of the bank, which is a big difference compared to the market, is to distribute fixed rate mortgages. It had some advantage in the previous cycle. It's a major complexity in the current cycle. This is the way it goes in banking. You have cycles. And in the next plan that will be disclosed in November, you will see that BNL will target a 20% return on notional equity. You have a number of domains in which BNL can make and deliver good progress: the cost base, grabbing market share and additional cross-sell. 20% is not as high as the Belgian bank target for 2030. But if you look at the evolution, it's basically just the same. So, this is for BNL.

Lars Machenil: Maybe if I can have one complement. Given the fact that we have been repricing the deposits, you should see a pivot in that line for the second half. That's the one thing. And also, let's not forget that BNL is just a part of what we have in Italy. So that's one of the other things we will do during the Deep Dive in November: show that there is adjacent to that, a similar activity that is complementary to what BNL is.

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

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

Chris Hallam (Goldman Sachs): Yeah. Good morning, afternoon, everybody. Just two quick ones. First, on restructuring. Is €800 million still the right number for this year? I expected it to be up a bit quarter on quarter, but it was down slightly. So, I just wondered if we're going to finish the year below the 800 level you talked to earlier, or whether we should be expecting sort of €250 to €300 million per quarter in the second half of this year?

And then another one, again, on capital. You mentioned several times in the prepared remarks RWA and capital efficiency, you've already got to the 13% target CET1 level. You've sort of ruled out any major acquisitions. So if I think about 2027 RWA growth mirroring the discipline you've seen this year, maybe you'll eat up 25 basis points or so from RWA growth, but that puts you in a position to distribute 80–90% of earnings a year from 2027 onwards before any M&A tailwinds or headwinds. Is that logical or am I missing something there? I think it chimes with what you just said about, thinking about 70+ as the right run rate for 2027 onwards.

Lars Machenil: Chris, thank you for your questions. No, on the restructuring, we stick to €800 million. That's what you see on slide 30. I mean, those restructuring costs are not linear. They may be booked in different periods, depending on the timing of system decommissioning and related milestones. So, we stick to €800 million. When you look at the common equity tier one, as we mentioned, we typically have with the growth of the earnings and the RWAs that you see, we, on average, have a touch higher of 10 basis points that we generate a quarter. So that could go up a little bit. So, let's say that it could be 40 basis points. And then, to get to the 70 you add the 25 of disposals. But in the run rate it is rather 10 basis points that those RWAs with the earnings would generate on a given quarter.

Chris Hallam (Goldman Sachs): Just on 70%, it’s 70% payouts. And I think you said instead of 70%, maybe like 80% to 90%.

Lars Machenil: No. So then rephrase your question because I probably misunderstood. Can you rephrase?

Chris Hallam (Goldman Sachs): Yeah, I think next year, if you were to do relatively disciplined RWA growth, there's no major acquisitions, the RWA growth maybe consumes 25 basis points. If I just think about your payout potential as a percentage of earnings, that's puts you closer to 80 or 90% payout as a sort of structure from 2027 onwards, which I think chimes with what you just said earlier of 70% or more. I just wanted to double check on that.

Lars Machenil: That's right. I misunderstood your question. So indeed, in the natural generation that we have, and then if we look once a year what the excess is and decide that we return, it would indeed get you to a ratio of something around what you mentioned.

Chris Hallam (Goldman Sachs): Okay. Thank you. Thanks a lot.

Operator: Next question is from Sharath Kumar, Deutsche Bank.

Sharath Kumar (Deutsche Bank): Hi. Good afternoon. Thank you for taking my questions. I have two questions, both on Arval. First, on the fleet growth. Given that it's been growing by 5% annually for several quarters, what can you say reassuring about the residual value risks in light of all of the used-car price pressure that we have seen? And from an accounting point of view, do you also take prospective depreciation adjustments in anticipation of weaker residual value? Is that already included within your used-car sales? And then, can you provide a mix of electric vehicles versus ICE vehicles in your overall fleet? So that's the first one.

The second is on Athlon. Given the pressure seen in used-car markets, what gives you the confidence that the Athlon acquisition is still on target to achieve 18% ROIC? And can you quantify the P&L impact, assuming that we have an August integration, and any integration cost to be aware of for this year? Thank you.

Lars Machenil: On the fleet growth, as you mentioned, we see a continuation of the 5% that we see. As a reminder on the distribution between ICE and EVs. At a stock today, we have 20%, which is EVs; 80%, which is ICE. If you look at what we saw in the last quarter, the production of new EVs was rather 28% and the ICE was 72%. So that's a bit how the fleet evolves. That fleet evolution basically drives the prices up for EVs and drives them down for ICE. So that is why every time we look at the cars that come back onto the market, they face EVs, which have a higher price, which is good. They have ICE which have a lower price. But given the fact that we have 80% ICE, 20% EVs, that is what weighs on the resale value. And I will not give more on that. Jean-Laurent mentioned, compared to what is the consensus, what we see in our stance to be the difference.

So when it comes to Athlon. Indeed, we intend to have the closing beginning of August. Remember that one of the things we mentioned on Athlon is that it consumes capital, but that capital will be compensated by the sale of BMCI. And I remind you what we said. The capital consumed by BMCI was generating €30 million net profit. Whereas with Athlon after integration, we anticipate that it generates on a yearly basis 200 million. So that's that.

And on the valuations of it, we are confident. If you look at what is the public data, Athlon did not revalue much during Covid. And with all of the due diligence we have done, we don't anticipate that situation to be that different. And moreover, Athlon has a higher fraction of EVs versus Arval. And I remind you, by putting it together, we really make a champion that now has material activities in many of the countries we are active. And so that is why we are very pleased to be closing the deal beginning of August.

Sharath Kumar (Deutsche Bank): Thank you.

Operator: Next question is from Andrew Coombs, Citi.

Andrew Coombs (Citi): Hi there. Thanks for taking my questions. Just a couple around some of the previous questions actually. So firstly, a lot's been talked about the potential to increase the payout ratio next year. Given where you already are on the core tier one ratio, would you also consider increasing the 2% organic RWA guidance? Are there areas where you think you could deploy capital and you'd like to deploy capital, given where you've already reached on capital position? And then second question you got asked about Italy and the interest margin there. But on the flip side, France and Belgium were very strong. You've particularly called out the decline in term deposits. You've called out the reinvestment on the unremunerated deposits. But was there anything one-off in nature this quarter or anything you'd call out? Or could we expect further margin expansion similar to what we've seen this quarter? Thank you.

Lars Machenil: So indeed, Belgium and France. No, there was no one-off. We've guided the growth that we are having basically, with the impact of the higher rates. On top of that, we have the cross-sell. And if you look at that, there is the impact. But then there is also, if you look at it, the deposits are going up. So the margins are kicking in, the volumes are going up. The overall pricing then, particularly in Belgium, the margins versus the competitors are holding better. So those are all the elements that drive up. And there's basically no one-off in it.

When it comes to the payouts, we basically answered it. On the acquisitions, what we have done, we considered that a setup of the bank is where it should be. So, in the past we have been building and redeploying capital in CIB. So, we've been able to get Exane on board, the prime brokerage, and so on and so forth. And so now that is a complete system. You saw our second quarter results. We have that platform. We are growing it in several regions, and so that's working very well.

With AXA IM, we have done the same thing when it comes to IPS. There also we have the setup, and within CPBS within our networks we have it as well

Operator: Next question is from Anke Reingen, RBC.

Anke Reingen (RBC): Yeah. Thank you for taking my questions. I just have some more questions on asset management. I'm a bit surprised to see the revenues down quarter on quarter given the strong growth in assets. Anything we need to consider here? And then a question on the Corporate Centre. I know it's hard to estimate, but is the 77 negative adjusting for the €80 million gain, should we see this as a run rate or is there anything in terms of updated guidance?

And then, sorry, a sneaky question on capital. Apologies if I missed it. Is there still any guidance about model update headwinds that we should consider? Thank you.

Lars Machenil: Anke, I'm a bit confused. Your question on the corporate centre, can you rephrase so that I understand?

Anke Reingen (RBC): Any guidance on the run rate and revenues? Thank you.

Lars Machenil: Yes. The run rate, what we've guided for is basically zero over the year. You have seen that in the second quarter we have €200 million. And so, I adjusted the overall charge of €-1.4 billion to €-1.2 billion. So the gain that we have taken this quarter, I've adjusted for it. So that basically means I still consider it will be zero for the rest of the year. There are many volatile elements. There can be, like here, there have been some elements on liquidity. And given the transactions that we have been doing that basically gets accompanied by derivatives in that time, that also had an impact. So, our overall guidance remains on zero. Can you also rephrase your third question on the capital gains?

Anke Reingen (RBC): In the past you guided to regulatory headwinds. Is there anything we should consider?

Lars Machenil: Well, the headwinds we have been having in the past are indeed material. So there is the whole supervisory and regulatory changes that we have seen. At this stage, we have seen it coming down. If you look at Europe and the legislature, they basically see that they have to find the right balance. So, on the one hand, the FRTB is pushed already to the end of the decade, and we'll see what they do. And if you look at the simplification document that has been published by Brussels last Friday, they are really looking and also reflecting on how the whole banking regulation can be coherent with banks supporting the economy. Remember, our guidance though, we have said that on average we still expect an impact of ten basis points given regulatory supervisory kind of things. So we stick to that. We don't see anything else on the horizon, Anke.

Anke Reingen (RBC): Okay. Thank you.

Operator: We have no more questions registered at this time.

Jean-Laurent Bonnafé: So again, as a conclusion, as you can see, we delivered on the CET1. I guess we gave some additional clarification on anything that is going to take place now in terms of distribution return to shareholders and additional buybacks. We are very confident in our target, that is earnings growing at a minimum of 10% on a yearly basis. We are well advanced in terms of preparing the next term plan in particular for anything that is a support function, additional efficiency, close enough to confirm that so far, we haven't found any additional complexity or anything that could prevent targets we already gave previously. That is to say, a 50% cost income ratio for 2030 and a ROTE of 15%. So, this is in a nutshell the situation we are in. A good, strong quarter, good momentum. And I would say, a solid preparation of the next plan to come with those targets that we believe are more than a possibility for us, looked at from the second quarter of this year. And the next plan will start in only half a year, because in five months, we'll be in the next plan. So we have to be confident, and we are confident. Thank you so much. Take care.

Lars Machenil: Thank you. Have a good summer.

Operator: Ladies and gentlemen, this concludes the call of BNP Paribas Second Quarter 2026 Results. Thank you for participating. You may now disconnect.

Disclaimer

The figures included in this presentation are unaudited.

As a reminder, on 16 March 2026, BNP Paribas published quarterly series for 2025, restated to reflect, among other things, the reorganization of Global Capital Markets within CIB, the evolution of the sharing agreement between Wealth Management and CPBS, the transfer of 50% of Kantox from New Digital Businesses to Global Markets and the evolution of the main components of IPS and central costs allocation following the integration of AXA IM and into Asset Management.

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