



BNP Paribas

Second Quarter 2025

Results

24 July 2025

Jean-Laurent Bonnafé (Group CEO)
Lars Machenil (Group CFO)

List of MAIN speakers	Company	Job title
Jean-Laurent Bonnafé	BNP Paribas	Group CEO
Lars Machenil	BNP Paribas	Group CFO

RESULTS SECOND QUARTER 2025

Jean-Laurent Bonnafé
Group Chief Executive Officer

Good afternoon, ladies and gentlemen. Lars and I are pleased to present today a summary of our strong second quarter results and how it confirms our 2024-2026 trajectory. For 2025, specifically, we are also confident to announce that we expect more than €12.2 billion net profit for this year, as I will explain later. We will be relatively brief on divisional details as you have most of them in our documents.

2ND QUARTER 2025 Solid operating performances **We will pay out an interim dividend of €2.59 on 30 September 2025**

So, moving to slide 4, you can see that our revenues are up 2.5% this quarter. CIB posted a 4% revenue growth despite an elevated base in the second quarter of 2024 and the US dollar weakness. For all three businesses – Global Banking, Global Markets and Security Services – we had the best second quarter in 15 years. CPBS was marginally up year on year despite lower used-car sale results at Arval. This is in line with our trajectory.

The quarter confirmed the acceleration of the NII in our commercial banks in eurozone as expected, with growth of more than 2%, and we anticipate the second half to show further acceleration. Europe-Med once again posted very strong revenue growth at about 22% thanks to strengthened performances in Türkiye and Poland. Personal Finance is starting to show acceleration and is up about 3%.

Moving to IPS, it posted a 4.4% growth, particularly thanks to Insurance and Wealth Management.

We are pleased to have welcomed AXA IM employees in our Group on the 1st of July. I will elaborate on AXA IM later on.

Finally, regarding the Corporate Centre, we saw an improvement, as mentioned during first quarter results.

Our commitment to cost control remains strong, and we are on track to deliver cost savings of €600 million this year, with €190 million of additional savings implemented in Q2. Overall, we generated positive jaws effect of 1.7 points this quarter, above our ambition of 1.5 points.

At 38 bps, our cost of risk remains within our guidance of less than 40 bps despite a more challenging environment. Our cost of risk includes Stage 3 provisions of 36 bps, down 9 bps year on year. The second quarter of 2024 saw stage 1 and 2 benefiting from 12 bps of releases, compared to a small addition this quarter.

All in all, our net profit was down 4% due to a one-time low tax charge in the second quarter of 2024 without compromising our trajectory of profitability as this tax impact ironed out over the full year 2024.

Our CET1 is stable quarter on quarter at 12.5% and Lars will elaborate on this later.

Finally, we confidently confirm our distribution policy of 60% and are pleased to announce our first interim dividend of €2.59 per share, which represents 50% of our EPS for the first half of 2025.

A €1.08 billion share buy-back program was completed in June, and the shares will be cancelled. After a solid performance in Q2, we expect a sharp acceleration in the second half, as I will explain on the next slide.

2025 OUTLOOK

2025 net income expected to exceed €12.2 bn

So now moving to slide 5. We are pleased to confirm that we expect our net profit for 2025 to be above €12.2 billion, mainly driven by a strong acceleration in revenues in the second half of the year at more than 5% excluding AXA IM. This revenue growth is in the place as it will largely come from the acceleration of the NII in our Eurozone commercial banks and at Personal Finance on margins, reflecting the current rate environment. These additional revenues do not require much additional costs, which means that they will feed directly to our gross operating income and profit before tax. We will also continue our cost-savings measures, supporting jaws at roughly +2.5 points.

Once we add to the strong growth in gross operating income, the first-time contribution from AXA, we expect that our net profit will exceed €12.2 billion for the full year, marking a sharp increase in the second half.

2026 TRAJECTORY

We confirm our 2026 growth trajectory

Moving now to slide 6. You are very familiar with slide 6, and I'm pleased to reiterate our trajectory for 2025/2026. A return on tangible equity of 11.5% in 2025 and 12% in 2026, leading to more than 7% group net income growth CAGR and more than 8% EPS growth CAGR. Our 2026 return on tangible equity is only a stepping stone towards further improvement.

Our targets will be achieved thanks to 4 key levels that you should have in mind.

Starting with CIB, we will continue to grow market share in a capital-conscious manner and will be ready for the Savings and Investments Union thanks to our Originate and Distribute model.

Moving to CPBS. We held two deep dives in June on CPBF and Personal Finance, demonstrating to you that these two businesses alone can add 1 full point of return on tangible equity by 2028. CPBS will, amongst others, benefit from the sharp acceleration in NII, both in the Commercial Banks and Personal Finance. We recently reinforced our governance of the commercial banks in the Eurozone in order to mutualize our investments, accelerate cross-selling and continue our efforts on SRT.

Moving to IPS. We will continue the dynamic organic growth, which will be amplified by the acquisitions of HSBC Wealth Management Germany and of course, AXA IM.

Finally, we will continue our efficiency efforts with €600 million additional cost savings in both 2025 and 2026.

And I now hand over to Lars who will remind you of this quarter's achievements.

REVENUES

2Q25 is driven by a solid business performance in each division

Lars Machenil

Group Chief Financial Officer

Thanks, Jean-Laurent. If you can swipe to slide 10, where you can see that the second quarter of 2025 was driven by solid business performance within each division. Overall, group revenues were up 2.5% year on year, and we expect more than 5% in the second half.

If we look at the divisions: CIB had a record second quarter, as Jean-Laurent said, up 4% year on year, driven by a very good performance across all three business lines.

If we look at Global Banking, which was stable at a record high, reflecting strong commercial dynamism, but also some degree of wait and see, the US dollar impact and the negative impact of lower rates. Our pipeline within Global Banking is strong for the remainder of the year.

If with this, we turn to Global Markets, where revenues were up 5.6%, driven by a very strong performance of FICC, when compared to our US peers, up 26.8%. FICC was indeed strong in all regions, particularly driven by FX but also credit.

Equity and Prime Services was down about 15% due to the high base effect a year ago and compared with our US peers who are more exposed than us to the flow business, which was very strong this quarter on the other side of the Atlantic.

We were also impacted by a lower demand for structured products in the context of the uncertainty post Liberation Day. However, if you look at the first semester results at €2.17 billion, they represent a record for EPS, driven in particular by prime and cash.

If we now turn to the third division, Security Services, it was up 7.6%, driven by strong balances and transactions as well as resilient interest margins.

We now turn to the second division, which is CPBS, which illustrated and demonstrated a pivotal performance. If you look at it, the revenues are up 0.4%. But what is worth mentioning are the two main divisions within it. If we start with the commercial banks, they were basically up 5% this quarter, stronger than the trajectory for the next two years. Within this, the commercial banks in the Eurozone grew their revenues 1.2% and we reiterate our target of more than 3% this year.

Indeed, on one hand, the rebound of net interest revenues will accelerate in the second half of this year as the lag from deposit mix has tapered off. Moreover, the lower rates environment should be supportive of a stabilising deposit mix, and the shape of the yield curve should enable us to continue our reinvestment on the long end of the curve, leading to a progressive net interest income pickup, as we have announced and as the second quarter illustrates this pivot.

Moving to Europe-Mediterranean, the revenues were up 22.7%. This is due to improved margins both in Poland and Türkiye, as well as an increase in fees, particularly on payments in Türkiye.

If we then turn to the specialised businesses, they were down 7% year on year, impacted by the ongoing normalisation of used-car prices, as we have flagged it before. Organically, Arval performed extremely well again this quarter, up 8.3%. The growth is supported by fleet growth of 4.6% and outstandings growing by 11.2%.

If you look at Personal Finance, you see a solid commercial performance with loan growth of 2.7%, combined with the margin improvement coming from repricing. We have described this in our deep dive, and we are confident that the margin improvement will accelerate in the second half of the year.

Last, within CPBS, a very good performance from the New Digital Businesses and Personal Investors, up organically 11% this quarter thanks to further growth in client acquisition as well as a high level of transactions post Liberation Day.

Moving to the third division, IPS. We saw strong growth in fees thanks to a high level of transactions. Assets under management were boosted by strong inflow and strong performance effects, but were significantly impacted by the strengthening of the euro. IPS is about to become a sizeable driver of our growth with the acquisition of AXA IM, which we closed early July.

If we look at insurance revenues, they were up 8.2%, driven particularly by a healthy savings activity in France, an increased contribution from Ageas and the impact of recent acquisitions. Wealth Management was up 6.1% on strong inflow and strong fee Vie growth.

Asset Management was down 1.8% despite strong inflow and transactional activity due to financial income and Real Estate, that continues to weigh.

Let me add, finally, a comment on the Corporate Centre. As we highlighted at the first quarter, the revenues can be volatile from one quarter to another, but you see that the second quarter is in line with our full-year guidance of about nil revenues, excluding the impact of insurance-related revenues.

OPERATIONAL EFFICIENCY

Positive jaws effect at the Group level and across all operating division in 2Q25

If we turn now to slide 11, where we show that our cost discipline is paying off. At Group level, the jaws effect stands at 1.7 points, consistent with our stated trajectory for 2026 of 1.5 points. We continue to allocate cost growth to fund development while we offset inflation by cost savings. If you look at CIB: positive jaws, 0.7 points, with cost growth driven mainly by increased activity. CPBS: also positive jaws, 0.5 points, and jaws are positive in all activities except Arval, as we mentioned before. The latter will face a significantly lower base effect from car sale revenues in the second half as previously stated.

Finally, IPS reported positive jaws of 5.2 points, with a drop in costs of 0.7%, even with our ongoing investments in the business. Jaws are positive in Insurance and Wealth Management.

OPERATIONAL EFFICIENCY

Cost savings achieved are in line with the announced trajectory

If we look at slide 12, where we focus on the cost savings and efficiency measures, which basically allow these jaws effects. This quarter we implemented €190 million of new cost savings, consistent with our full-year target and broadly offsetting the impact of inflation.

COST OF RISK

Cost of risk under control thanks to the quality and diversification of our credit portfolio

Having looked at those three first elements of the P&L, let's now look at the cost of risk on slide 13. On this slide, you can see that our diversified balance sheet enabled us to protect profitability. Our cost of risk of 38 basis points over outstanding is at a moderate level across our activities, with a base effect a year ago. Indeed, in the second quarter of 2024, the Group released stage one and two provisions for €275 million, notably in Global Banking. In particular, our stage 3 provisions have improved 9 basis points year on year to 36 basis points, and reflect the good quality of our portfolio despite a challenging economic environment.

Talking about stages 1 and 2, our overall stock of provisions for these is stable at €4.1 billion, equivalent to more than one year worth of the current stage 3 run rate. If we now look at it by division, we know there is normalisation from a low base at Global Banking, as previously mentioned, Europe-Med and BNL, and from a high base in France. PF continues to represent close to 50% of group cost of risk, and the drop of stage 3 provisions there confirms our expectation of gradual structural improvement.

Moving to the impact of US tariffs while we observe a certain “wait-and-see” attitude among clients, mainly due to the ongoing uncertainty around potential tariffs, and this is expected to ease once greater clarity emerges. In the meantime, we maintain a strong focus on high-quality counterparties – 75% is investment grade – and continue to closely monitor liquidity, credit and market risks.

CAPITAL

We have a robust financial structure

So having looked at the P&L, let's now look at the balance sheet and, in particular, Capital Management, on slide 15. Starting from the second quarter in 2025, our financial communication will be based on phased-in capital ratios. This is to align with regulatory requirements comparison, as the phased-in metric is the base for MDA calculations. Secondly, it reflects the Group's 2030 horizon. And thirdly, it matches the standards used by our peer group.

Looking at the second quarter, our common equity tier one, phased-in, is stable quarter on quarter at 12.5%. This quarter reflects the typical 10 basis points of organic capital generation, which was compensated punctually by, amongst others, model updates. Additionally, we offset our limited organic RWA growth by RWA optimisation. So, the quarter confirms our intrinsic capital generation and us being well on track to be above our orientation of 12.3% CET1 pre-FRTB.

I don't have to remind you that our CET1 has shown little volatility through the cycle, demonstrating a tight control of our trajectory. This on the back of our diversified business model, enabling us to be less cyclical than many other banks.

CAPITAL

We are scaling up on efforts to optimize RWA against the backdrop of the Savings and Investment Union

If we now turn to slide 16, where you can see our progress on SRT. Since we've started, we now have a cumulative benefit of €44 billion on our risk weighted assets, equivalent to 65 basis points of CET1. During the first half of this year, we implemented about 20 transactions for around €12 billion of gross

RWA savings. We now expect more than ten basis points benefit from optimisation in 2025 and 2026. And all this is within the current regulatory environment. Moving to the Savings and Investments Union, SIU, it should support revenue growth in CIB via securitisation and increased ABS trading volumes, as well as IPS through higher margin investment products, while of course also helping reduce our RWA and improving the CET1 ratio.

Although it is too early to quantify the exact impact of SIU, pending final regulatory details, we believe a successful implementation could add several tens of basis points to our ROTE.

CIB

A very good 2Q25, compared to a high base in 2Q24

On slides 20 and 21, you see the strong track record of our CIB division reaching a record level again in the second quarter. We also provided you with a focus on our Securities Services business, which continues its fantastic journey of growth, both organic and through acquisition, including the recently announced acquisition of HSBC's custody and depositary activities in Germany. Securities Services has expertise and scale and is a significant contributor to the ability of our CIB to produce revenues that are not volatile and show a steady growth throughout the cycle.

CPBS

Good overall performance in 2Q25, offsetting used-car revenues at Arval and supporting pre-tax income

Having talked about CIB, let's turn to slides 22 and 23 on CPBS.

First, as we indicated last quarter, we are working hard to improve the divisions not delivering adequate returns, and we demonstrated during our deep dives on Personal Finance and CPBF that the target in excess of 17% RONE by 2028 will be reached. As expected, you can see the start of a sharp acceleration of the net interest income in our commercial banks in the Eurozone thanks to a stabilisation of current accounts, as mentioned before, and we expect further progress in the second half.

IPS

Strong inflow momentum and strong increase in pre-tax income in 2Q25

If we now turn to slides 24 and 25 on IPS. This division will represent the biggest growth driver for the group for the next few years, and we welcomed AXA IM employees in our group on the 1st of July. The integration has been launched, and we will provide you with synergy targets during our third quarter results. By year-end, we aim for the legal merger of BNP Paribas Asset Management, AXA IM and BNP Paribas REIM, and we will follow up with a deep dive in the first quarter of 2026.

AXA IM will enable us to have a greatly reinforced distribution network, a broader product range, a platform at scale enabling us to take full benefit of the Savings and Investments Union, a core building block in our integrated business model of Originate and Distribute.

So having given an update on the businesses, I'll now hand it back to Jean-Laurent for the conclusion.

CONCLUSION

Jean-Laurent Bonnafé
Group CEO

Thank you, Lars. To conclude on slide 26. Our second quarter performance is solid. We will distribute on September 30th an interim dividend of €2.59 per share, equivalent to 50% of our first half EPS. We will see strong acceleration of our revenues and profit before tax growth in H2, which would enable us to exceed €12.2 billion of net profit. And we confirm our trajectory 2024/2026 with all levers already in place.

Let me conclude by some final comments about the recent changes and appointments that we announced. They aim at consolidating the Group's integrated model by accelerating the market share growth of our CIB base on its Originate to Distribute approach, strengthening the cross-functionality of the commercial banks in the eurozone, and preparing their future by focusing in particular on common technological investments. With the acquisition of AXA IM, one of our largest external growth moves, we are consolidating the Group's asset management businesses and accelerating the development of our IPS division in line with its Insurance and Wealth Management businesses. We are preparing BNP Paribas for the next phase of its growth.

This concludes our presentation, and we are now happy to answer your questions.

QUESTIONS AND ANSWERS

Operator: First question is from Pierre Chédeville, CIC.

Pierre Chédeville (CIC): Good afternoon. My first question relates to commercial banks in general. I was wondering why, at the end of the day, there's such a difference in terms of profitability between your European path and some other of your competitors. I was thinking of course of Italian banks. Of course, you can tell that comparison is not relevant, but at this stage, this level of difference in profitability, I was wondering how do you intend, or do you think it's possible to reduce this lag? And it's not only a question in Italy. For instance, when I look at Belgium, where you have a big market share, your profitability is around 10%, which is not very high. So, a general comment between these discrepancies between commercial banks in Europe.

And my second question relates to asset management. If you could give us a little bit more colour regarding your good inflows this quarter and particularly, I was wondering if it comes from retail or institutional customers, is it long-term products, and where are you about passive management this quarter? Thank you very much.

Lars Machenil: Thank you, Pierre. When you look at the performance, the main objective that we have is to improve every single day. So, if we look at BNL, for example, our priority is profitability improvements despite the challenging competitive environment. If you look, for example, at our internal metric, the RONE, which is close to 14% in the first half of the year, so nearly twice the level we saw in 2022. The levers that we use are the ones that are applicable for us in the environment we operate in. For BNL, it is the costs; they are down 1.5% when the DGS impact is excluded. And the same is true for the cost of risk, which was at ~50 basis points. It has gone down to 38bps in 2Q25.

You see the same thing in France. In France, in the environment that we have, we have a yield which is single digits. As you have seen at the deep dive, we will adapt to increase the profitability.

When you look at Asset Management, we have a diversified set-up, distributing on the retail and the institutionals, and so this is relatively stable. If you look at the overall inflow that we have in the second quarter, it is gravitating towards 15 billion. It is flowing on one hand into monetary, and on the other hand on the medium-term, longer-term funds.

And then, if you look at the top line, it is fine. I have to remind you that our asset management as we publish it, also includes our real estate activities and that activity remains in retreat. And what we see is that even if the interest rates are going down, the investment volumes are still not materially picking up.

Pierre Chédeville (CIC): Thank you.

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

Tarik El Mejjad (Bank of America): Hi. Good morning, everyone. Thanks for taking my questions. Actually, I have mainly one, on capital. Can you explain to us what is the rationale to move into a phased-in basis versus fully-loaded? You alluded to be consistent or compliant with the regulation, but can you elaborate on what's the difference between the two? Is it only the phased-in of the output floor from 2030, or is there anything more to have in mind?

And also, another question on capital: the sector is clearly moving towards a higher level of CET1 target, clearly higher than 12%, which is being rewarded and seen as the new normal. You've been consistently repeating that managing the bank at 12% is ample and sufficient and adequate, but don't you think it will be forming a kind of glass ceiling for your valuation? Especially today, I think you had

great numbers showing a strong recovery in most divisions, positive jaws in the costs. Can't really fault much in terms of earning recovery. I'll be interested to hear your comments on this.

And then linking to that, on the SIU, you mentioned a few tens of basis points of benefit from this. I understand you don't want to be more specific at this stage; a lot of things are still on the making, but are we talking something above 100 basis points or below? And maybe, actually, the most interesting question would be to understand your conviction on if this project will come true and if Europe will stick together to deliver actually something that will be applicable especially with the latest EU securitisation framework had all the buzzwords, but unfortunately I don't think it went to the extent we were hoping in terms of relaxing the rules for allowing banks to securitise and invest and so on. Sorry for the long question but would be keen to hear your answers. Thank you.

Lars Machenil: On your three questions. So let's take the time. So, the first one on the metric.

The phased-in metric is the binding metric when it comes to calculating the MDA, to ensure that you can pay dividends and the likes. So that is the one that we apply and the one that counts. Secondly, if you look at BNP Paribas Group's 2030 horizon, it matches phasing happening from now until 2030, which is basically the floor. And then after 2030, other effects come into play.

For BNP Paribas, during the first phase leading to 2030 the floor doesn't bite. So for us, the difference between the fully-loaded and the phased-in is zero.. And then thereafter, it's limited; it's ten basis points. And so moreover, what we see in the market is that the interpretation of the fully-loaded – with so many definitions can be a bit fluffy. Hence several of our competitors like ourselves are moving in the phased-in approach.

As I said, there is no difference till 2030 for us. It's very minimal. Thereafter, we apply the metric that is needed to calculate the MDA.

On the CET1. Let's put it this way: if you look at the requirements that are being asked to us intrinsically, that's the pillar one. And then, if you also look at the pillar two you see that of the large European banks, we basically have a pillar two which is very low, in line with our low capital requirement, which again reflects the view of the supervisor of our diversified setup. If you go back in the last ten years, our diversified setup never triggered a common equity tier one reduction bar when Basel II and Basel III came. So, intrinsically it is very stable. From both perspectives, we fly at an appropriate level.

When it comes to the Savings and Investments Union, it is indeed a thing that should happen. Listen, I can tell you whatever kind of numbers – I'm not going to make you dream – we just mentioned multiples of tens of basis points. But what you see is that Europe is touting the sales. They have been talking about Savings and Investments Union in February. They have added a complement on the securitisation back in June, and you might have seen that they are also working on evolving or allowing insurance companies to invest on a more equilibrate way into equities.

Now again, it's going to take till 2028 till these things crystallise.

Tarik El Mejjad (Bank of America): Okay. Just a quick follow up. On the ten basis points gap, which is actually in eight years' time, would you be confident to actually mitigate the effects and even go beyond to convert the two?

Lars Machenil: Sorry, Tarik, which ten basis points are you talking about?

Tarik El Mejjad (Bank of America): The gap between phased-in and fully-loaded.

Lars Machenil: Yes. As I said, this is coming basically down the road once the next phase comes in and the next phase that comes in, basically there are products that we have that are called – listen to my words – unconditionally cancellable commitments. However, Europe at this stage is basically saying that they will not be totally unconditionally and cancellable, and so that is what we see that has an impact of the ten basis points that we talk about. We'll have to see if Europe comes along that basically that does not make sense. Or we will see how we can make those products evolve or price those products accordingly. So yes, I haven't given up that we can compensate that.

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

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

Delphine Lee (JP Morgan): Yes. Good afternoon. Thank you for taking my questions. My first one is on commercial and personal banking in the eurozone. Just trying to understand if you are confident of your path towards more than 3% considering the first half, if you look at BNL, Belgium, the trends are still a bit challenging. If you could maybe elaborate a little bit on what you expect in the second half in terms of pickup for these two businesses.

And then my second question is on capital. Just double checking: I've seen your ten basis points that you would expect for the rest of the year coming from other re-optimisation, securitisation, SRTs, I think. And just on the regulatory side, on model updates or anything like that, are we still having ten basis points, regular headwind for this year? And does that imply any reversal of what we've seen so far? If you could just clarify the CET1 path for us. Thank you.

Lars Machenil: Thank you, Delphine, for your questions. So yes, indeed, we reiterate the above 3%. As a reminder – given the fact that we have in France, in Belgium, mortgages which are fixed rate, the impact of the higher interest rates is taking time. So that is the pivot that we talked about that is happening. A quarter ago we said that that pivot was happening and that the first one where we would see it is France. Look at the second quarter. It kicked in. You also see the pivot in Belgium. So that is why we say that that we will definitely be above 3%. If indeed you look at BNL, what you see is that probably it will gravitate a bit below the 3%. But given the overall setup, the other two will more than compensate. And so yes, we reconfirm the above 3% for our Commercial and Private Banking in Europe.

So, if you basically look at the impact on capital; we've guided that there would be a full year of ten basis points. And that is basically what you have seen. And so that is intrinsically what we anticipate having for the year. On the ten basis points that we have in this second quarter, it's a model update that if we adapt and have an evolution in our models, that zero should taper off, but that tapering off will be in 2026/2027.

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

Operator: Next question is from Joseph Dickerson, Jefferies.

Joseph Dickerson (Jefferies): Hi. Kind of on the same theme: in Italy, can you discuss on the structure of the loans? Are they fixed? Is it swapped? I was a little surprised at the decline in the margin in Italy. But more broadly, how much now of the H2 2025 revenue performance is effectively locked in now due to mortgage repricing, deposit mix and replicating portfolio? Thanks.

Jean-Laurent Bonnafé: So, if you look at Italy, and at the retail side within Italy, BNL, this is a fixed-rate mortgages type of balance sheet, so it's very different from the average, regular situation you would have in Italy. This is the first point. The pressure today is coming from, let's say, the more

corporate banking business within BNL. There's a lot of pressure on lending, so margins are under pressure. This is basically the driver for the top line within BNL. But if you look closely, the point with BNL is not volumes or size; it is just profitability. And remember that this quarter the pre-tax profit for BNL is up by more than 30%.

BNL is looked at for the profitability. We need to continue to do the ramp-up. They are progressing well. Clearly, today, within the Italian market, there are some pressures on corporate banking that is, I would say, stronger than before.

Then, if you look at the second half, I would tend to say that most of the rebound is already plugged within Belgium, France, Italy, and the fact that the base effect from Arval is just vanishing in the air. This is a very mechanical effect., already in the book to some extent, and it will go down directly to the bottom line because there is no cost base, I would say, associated with that; there is also no cost of risk, of course, associated with that. So, the rebound in the top line, most of it is plugged into the balance sheet, and it will become directly a pre-tax profit that will drive this very strong rebound in the second half. And you will probably be surprised by Belgium and France as well. And again, we are getting rid of most of the base effect with Arval. All in all, looking at IPS and CIB, they are going to evolve like the first half, at a good, strong level, but much of the rebound is coming from the Eurozone banks and the fact that Arval is now, I would say, free of the base effect.

Joseph Dickerson (Jefferies): Perfect. Thank you.

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

Giulia Aurora Miotto (Morgan Stanley): Hi. Good afternoon. Thank you for taking my questions. The first one, can I go back to slide 16 where you showed these tens of basis points of RoTE benefit on SIU? What exactly do you include as SIU? Because so far, we only got a text on securitisation, which I think can still change. I would hope that the industry lobby can improve it. But we could get some other stuff on pensions, on investments, so what are you assuming here and what do you expect we get essentially on the other legs of the SIU? That's my first question.

And then the second question is on the investment bank. Your FICC numbers were exceptional, whereas the equity numbers were a bit weaker than peers. Is there anything that you want to call out there, and have the trends continued into Q3? Thank you.

Jean-Laurent Bonnafé: Well, if you look at CIB, it's always the same story: our equity business is very different from the one you can have with US banks. US banks are much more flow business type of business. So last year the structure of the market was very much in favour of the BNP Paribas type of business model for equities. This year is the reverse way. So don't forget that in two years' time, we consolidated more than 30% growth within equities. So it went up, if I remember well, by 34%. So, this is huge. And again, those businesses are slightly volatile and they are very different, structurally, from the US classical type of equity businesses.

The FICC universe: as you may know, the characteristic of the diversification of Global Markets at BNP Paribas, it happens quite often that either one of the two drivers are evolving in a reverse way. It's not that frequent that a certain quarter both are very strong at the same speed. So it gives diversification and stability. And once again, if you look at Global Market, this is the best 2nd quarter ever we got. So once again, stability, diversification, continuous progress, market share growth, with a very different business model looking at equities compared to the US banks. So this is for CIB.

Lars Machenil: Yes. Listen, Giulia, on SIU, let's be fair. As you mentioned, the SIU, what is on the table for the moment remains a bit vague. But if you look at the axis that Europe puts in motion, which is

what they published in June; it's to step up securitisation so that banks can offload more. So this is things like parameters that you use in the capital calculation, the criteria that you include, and so forth. That's on one hand. So, that's allowing to offload. And then secondly, there are also efforts that are being done to have more investment capacity. And that is what we have seen this week where there are reflections on how to evolve the Solvency II to allow, which is a bit penalising for the moment for insurers, in order to invest into equity products. Because as you know, in Europe, typically your average individual does not go for individual tickets as he might do on the other side of the Atlantic. So he needs insurance wrappers to basically do it, which Solvency II is a bit detrimental for. You see that Europe is also working on making those parts of the aspects better. So you see several axis being put in motion. But again, it will take a bit of time for it to land, but the direction is there.

Giulia Aurora Miotto (Morgan Stanley): Thanks.

Operator: Next question is from Andrew Coombs, Citi.

Andrew Coombs (Citi): Afternoon. Two questions, please. Firstly, just to follow up on CPBS. If I look at your net interest income rebound this quarter and have a look at the abrupt shift in deposit mix and the growth that you're seeing in sight deposits, I'd imagine that experience that you've seen in the quarter is somewhat better than you expected. I mean, certainly it's better than your assumption for the full year of stable deposits and stable mix of deposits. So, you provide the sensitivity helping on the slide, but is there any reason why you're not increasing the greater than 3% revenue guidance? Are there offsets elsewhere that we should better understand? So that's the first question.

Second question is a technical one. On the insurance business, you've had two consecutive quarters of revaluation of stakes, this time in China. What's your process on those stakes and any more that we should be thinking about? Thank you.

Lars Machenil: Thank you, Andrew, for your questions. On CPBS, you're absolutely right. The deposit mix is intrinsically a tad better than what we had anticipated. We don't give an update every week that passes by. That's why we said that the top-line growth will be above 3%. It's the same thing with the €12.2 billion profit. We said it will be above €12.2 billion. I'll let you do what your estimate is, but I do confirm that the deposit mix at this stage is better than what we had initially taken up.

On the revaluation: indeed, if you look at our activities that we have, one of the levers that our insurance had to grow, if they have that technical skill, they bring that technical skill by having distribution within BNP Paribas, distribution to other banks and partners with other players. And so, what can happen when you look at several of these players, you take them in your balance sheet to equity stake because you don't have a consolidation effect, and then it can be that in one quarter or another there is an exceptional dividend or there is a review of the accounting norms. And so these are the things that can happen. These are exceptional kind of elements, one-off elements that we mentioned that there is not more to read into it.

Andrew Coombs (Citi): Thank you.

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

Stefan Stalmann (Autonomous Research): Yes. Good afternoon. Thank you very much for taking my questions. I would like to start with a relatively high-level question about the economic environment and, in particular, corporates. You mentioned the challenging environment and that corporates are holding back because of tariff uncertainty. At the same time, your big German competitor has given a very bullish view on the corporate landscape that they are seeing in the prospects. Everyone looking at fiscal stimulus, spending, etc., and I was wondering if you see the same, let's say, difference in

optimism between German corporates and the rest of Europe, or whether you see any spill-over of this apparent German optimism into markets like France, Belgium and Poland, or whether that has simply not arrived yet.

And the second question goes back to the equities business. I don't think that you disclosed the split of your equities business by cash derivatives and prime at the deep dive. Maybe you did, and please correct me if I'm wrong. But if you didn't, maybe could you give us a rough sense of how that splits? I do remember, though, that at the time you gave your splits by basically client segments where you had substantially less exposure than the street in particular to, I guess, hedge funds, alternative investment managers. Do you think that was a major reason why you had so much less momentum in your equity business than the US peers? Thank you.

Lars Machenil: Stefan, thank you for your questions. If I look at the economic environment, what we have in our outlook, which is reflected in what we assume for GDP growth, in what we assume in our adverse scenarios, taking into account the cost of risk, is that basically the element that could be weighing, and have been a bit of wait-and-see, is that uncertainty on tariffs. But we anticipate that that uncertainty will disappear. That uncertainty disappearance will come with some tariffs. So let's assume that in our central scenario we have 15% of tariffs, and that is what we reflect in the economy. And you can see that European-wide, we anticipate a GDP growth. That is what we see and anticipate. And it's a bit different between countries, but intrinsically, overall, in Europe, that is the growth we see. Again, with those tariffs uncertainty coming to an end, we see a pickup all over Europe.

And then on equity, if you look at the spread between the three, it is roughly 40/40/20. But if you look at what is basically the impact, there are two. If you look at the results, first of all, our results in equity and prime services, if you look at the first six months, it's a record level. So that's the first thing you would need to do. Now, if you compare the second quarter, there are two ways you can compare it. You compare it within BNP Paribas itself. And then, if you go back to a year ago, remember in June there was a lot of uncertainty ending, in particularly in France, in the middle of the month. And so that basically meant that there was a double demand. Everything which was taken as an orientation at the beginning of June had to be moved in the second half. So the demand was very high, and so that is what we saw in a very steep evolution. So that is the reason. So, overall, record level. However, if you compare it to the second quarter which was impacted by this special environment.

And the second thing, if you compare it with the US, if you compare the quarter. What we are mainly doing, if you look in Europe, one of the key things that we are having is the structured notes and all of these services around it, less flow. Whereas in the US, if you look now, the flow, which was rather reduced a year ago, really stepped up this year. And so, we also participated in that growing flow within the US. But of course, our European activities are more dominant in activity versus the other one.

So those are the two things: record level in the first half. If you compare the second quarter with ourselves, the second quarter, given the uncertainty that we had a year ago, all stars were aligned. The demands were very high. And if you compare with the US, it was more flow. And if you look at it, the important thing, if you look at how we have those records and why we keep on taking more market share, if you look at the kind of clients, if you take the equity space – so equity and prime service – there's basically three products: there's cash, there's derivatives, there's prime. And if you take those three products and then you look at the top 100 institutional clients. In the past we said that, and when you were at the deep dive, you saw that 52 of the 100 institutionals took those three products. Today, we are at 63 of those institutional clients taking the three products. So that is what we keep

on doing. So we keep on taking market share, record level in this semester, and then those two axes of differences when you compare in the second quarter. Stefan, those would be my two answers.

Stefan Stalmann (Autonomous Research): Lars, can I maybe just quickly clarify when you said 40/40/20. Was the 20 the cash portion?

Lars Machenil: Yes.

Stefan Stalmann (Autonomous Research): Thank you. Great.

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

Chris Hallam (Goldman Sachs): Hi. Good afternoon, everybody. So this is just a follow-up on the first one from Stefan's questions just now. But looking forward, I get what you've said about the difficulty versus the comp last year. But if we use this quarter now, is that a logical comp to look going forward when we think about year-over-year growth in 2026, or maybe the sequential evolution Q3 versus Q2? Is there anything in this quarter that we should also keep in mind?

And then secondly, staying in EPS, in prime, you mentioned brokerage balances held up well. Is that a comment in euros or in local currency? Because I guess you're absorbing a sizeable FX headwind there and some of your peers who maybe don't have that headwind, have talked about growth in balances. So just maybe a comment on the organic versus headline evolution of those balances versus competition. Thank you.

Lars Machenil: Thank you, Chris. Could you rephrase quickly your first question?

Chris Hallam (Goldman Sachs): Yeah, basically, are there any one-offs in EPS in Q2? So when we have the call this time next year, whether we need to be thinking about the comp at all.

Lars Machenil: No, no. If you look at EPS, if you look at the evolutions, again, the best metric that I can give is indeed we have record levels, and those record levels come from the fact that there was still volatility, that we had on the Liberation Day. You know the story: if you look at the volumes that were done, and then you know that we gradually step up our market share. So from that point of view, we have been able to step up market share. We have been taking more than our part, every time a bit more than the volumes. What will be the overall demand that is happening? Typically, in the third quarter, it's a tad less than in the second quarter. But we keep on stepping up. That's basically the story of CIB. We step up our market share.

When you look at the prime brokerage, if you look at the consumption of the scarce resource, on prime brokerage, it's not capital, right? Because everything is hedged that's limited. So it's the balance sheet, pure balance sheet or leverage, so the exposure used in the leverage ratio. And so what you see is typically is expressed in dollars. And so, for us, we are at a record level of \$500 billion in balances.

Chris Hallam (Goldman Sachs): Okay. Thank you.

Operator: Next question is from Anke Reingen, RBC.

Anke Reingen (RBC): Thank you for taking my questions. I just wanted to ask, firstly, about the at least €12.2 billion. So on the €12.2 billion, you stressed it's an "at least" target. But what should we think about as the potential headwinds? Because I guess it looks a bit of a step-down versus the first half. And so far, you mainly talked about the tailwinds. So I guess there's a cost seasonality, investment banking seasonality. And just to confirm, the €12.2 billion includes a contribution from AXA IM? And can we use on slide five the bars as an indication of what you could have pencilled in?

And then secondly, on the jaws in CIB, the 3% cost growth, is it also because last year the costs were a bit lower? What do you think this year? You managed the costs? Obviously, it depends on the revenues, but there will be less of a volatility? You think you managed the costs better in CIB rather than having a Q4 step-up? Thank you.

Jean-Laurent Bonnafé: So for the yearly guidance, we set a minimum of €12.2bn. This is already with some headwinds included, so to some extent room to manoeuvre. And yes, it includes AXA IM, net of course of some restructuring costs. So we tend to say that the €12.2bn is a minimum and factored in a quite cautious way.

Lars Machenil: On the cost base and the jaws at CIB: as you know, we operate at marginal cost. So at CIB, when you have more revenues, you basically have more variable costs. Now from time to time, there are also some investments we have to do. That comes with whatever regulatory and other kind of investments we have to do. Now on top of that, we have to take into account that we have some revenues that are generated in dollars, for example. If you see the costs that come with it, part of them are dollar-based, but part are Euro-based. And so, the effect of the dollar on the jaws also plays into this. We go for operating jaws. Sometimes it can be a bit different for the two reasons that I just mentioned, Anke, but we are very focussed on costs; don't get me wrong.

Anke Reingen (RBC): Thank you.

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

Sharath Kumar (Deutsche Bank): Good afternoon. Thank you for taking my questions. I have a couple. Firstly, on asset management, can you help us understand the moving parts of revenues in more detail? I know revenues were down sequentially despite the Q1 rise in AM. Maybe can you break down the impacts between FX impact, fee margin pressure? Also on real estate, is it possible to quantify and maybe how far is it from the recurring rate, and when do you think it can go back to those levels? That is on asset management.

Second one is on Arval. I note your comments about Arval being freed up from base effects. My question is on the sustainability of the organic lead growth which is trending above your main peer. So do you think this level of growth is sustainable? Or other way is, if lead growth slows, do you think this can be compensated by higher leasing and service margins? Thank you.

Lars Machenil: Thank you for your questions. When you look at Asset Management, you should be aware that within the division that we call Asset Management there is also Real Estate. We don't split these activities, but I can give you colour. So the activity on Real Estate, even if rates are lower, in the areas where we are, has not picked up, and so its contribution remains negative. It has a negative contribution this quarter and this should be back towards the end of 2026/2027, that it should turn around. Then if you look at Asset Management. Within Asset Management, there are indeed several effects. The negative market effects that we have are indeed the market and the forex effect on the fees. So the fees are driven by that. There is a forex effect that we mentioned, so whatever is in dollars gets translated and the same happens on the market.

Moreover, Asset Management, on top of that, we have participations and co-investment funds and they are also impacted and have a lower contribution. So that's a bit where we stand. Those are the things that weigh a bit on this quarter, but that should normally iron out going forward with both the market and the forex effects stabilising.

And indeed, if you look at Arval, with the setup that we have, we confirm that we have more than 10% in organic growth. So if we discard for a second the resale value, if we look at the growth both in the

growth of the financing of the cars and the servicing that we charge, we are clearly on track to deliver 10% growth in 2025. So that would be my answers.

Operator: Next question is from Flora Bocahut, Barclays.

Flora Bocahut (Barclays): Yes. Thank you. The first question I'd like to ask you is on asset sales, simply whether this is something that you would consider, rethinking also some of your business mix, without giving us names or divisions obviously on this, but just simply is this something that could happen and what would be the considerations for that to happen?

And the second question is on the recent changes that you have announced on the governance, which I think are ahead of your next business plan, and also in light of the SIU. I didn't see Europe-Med mentioned in there, so I was just wondering how Europe-Med fits in your strategy into the next plan. Thank you.

Jean-Laurent Bonnafé: So I guess this is the same question: asset disposals on Europe-Med. So we are continuously monitoring all businesses, even within businesses, pieces of certain businesses. Looking at the past five/eight years, we did a lot. Potentially, we can still continue to move in a number of situations. Honestly, we have no situation that I would say are non-core. I mean, most of the businesses we are having are core to the company. Of course, you can have some pieces that are slightly not 100% core, but this is very different from the situation we were having, let's say, five, seven, eight years ago. So, we are monitoring. Sometimes we are offered to exit some situation, and the key point is about the price you are being offered, so there is no need for us to move, but you never know. Sometimes someone can be better positioned than us to run a certain business. So this is the rule of the game.

Governance, for CIB, it's going to be a different organisation. It's going to be very much aligned with this idea of originate and distribute. Not any more to measure blocks, one being Global Markets and one being, let's say, the corporate bank. It has to be totally integrated. So it's going to be much more efficient with a less capital consumptive type of approach. And looking at the commercial banks within the eurozone, one of the major issues is to deliver a common approach in terms of investing in technology, digital apps, and so on and so on. We need to go one step further. We had a lot of cross-synergies in between those different countries, these different markets, but we need to go even further in terms of integrating those businesses, in terms of how you invest the cash flow of those businesses. And we need to invest that in a very much disciplined way so we can leverage the same way a certain euro invested in technology for the benefit of the different local markets.

So, the fact that we are going to have one person in charge of this perimeter is going to help and to deliver that discipline. There's nothing new, but it's going to be much more that way, and we can probably extract some, and even a lot more, profitability from such a kind of an approach. We need, especially looking at individuals to deliver something that is more common to the platforms, and not every time just delivered in a slightly different way in the different banks. So this is one of the issues. And of course, this will help also integrating those markets within the global Group, CIB, IPS, Asset Management...

So once again, these little changes are not that little, in fact. For CIB it's going to be one step further in terms of aligning the business model with the prospect of originate to distribute and eurozone commercial bank trying to behave as one bank and not four or five different banks with investments that are going to be repeated one after another, but just one for the sake of the whole eurozone region, to put it that way, in a very simple universal approach. And we need to do that before, of course, the next strategic plan is going to be looked at in more detail next year.

Starting in 2026, beginning of 2026, we will announce the new term plan beginning of 2027. We need to look at that very closely so we can deliver the best numbers looking at the targets. And clearly one of the key elements is going to be the return on tangible equity. There's a lot to come. We already said that. Those, I would say, are programs that are already disclosed, AXA IM, French Commercial Bank, Personal Finance, and so on, are going to provide with 1% of return on tangible equity on top of the 12% in 2026. But we can do better if we look at the situation in a more integrated way. And this is very much the focus of the next plan: to extract more value from a more highly integrated model. And of course, probably dropping some businesses that could become, in that game, slightly less core, as someone said before. This is the rule of the game.

Flora Bocahut (Barclays): Thank you.

Jean-Laurent Bonnafé: Thank you so much for your time. Once again, as you can see, we are very much on track, looking at the trajectory, we announced beginning of the year, and you can very much count on us in terms of delivery. You will see in the second half the impact of what has been already organised, prepared, and the €12.2 billion is, as we said, the minimum. And next year it is going to be an even better year and rapidly will be beginning of 2027 with this new term plan. And this is the story of the company. Thank you so much.

Lars Machenil: Thank you.

Disclaimer

The figures included in this presentation are unaudited.

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

This document includes forward-looking statements based on current beliefs and expectations about future events. Forward-looking statements include financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future events, operations, products and services, and statements regarding future performance and synergies. Forward-looking statements are not guarantees of future performance and are subject to inherent risks, uncertainties and assumptions about BNP Paribas and its subsidiaries and investments, developments of BNP Paribas and its subsidiaries, banking industry trends, future capital expenditures and acquisitions, changes in economic conditions globally, or in BNP Paribas' principal local markets, the competitive market and regulatory factors. Those events are uncertain; their outcome may differ from current expectations which may in turn significantly affect expected results.

Actual results may differ from those projected or implied in these forward-looking statements. Any forward-looking statement contained in this document speaks as of the date of this document.

The information contained in this document as it relates to parties other than BNP Paribas or derived from external sources has not been independently verified and no representation or warranty expressed or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained herein. Neither BNP Paribas nor its representatives shall have any liability whatsoever in negligence or otherwise for any loss however arising from any use of this document or its contents or otherwise arising in connection with this document or any other information or material discussed.

BNP Paribas undertakes no obligation to publicly revise or update any forward-looking statements in light of new information or future events. It should be recalled in this regard that the Supervisory Review and Evaluation Process is carried out each year by the European Central Bank, which can modify each year its capital adequacy ratio requirements for BNP Paribas.

The information, statements and opinions contained in this document do not constitute a public offer under any applicable legislation. This document is for information purposes only and is not intended to, nor do it, constitutes investment advice or any solicitation to buy, hold or sell securities or other financial instruments of the BNP Paribas Group.