

BNP Paribas (BNP FP)

FUNDAMENTAL VIEW¹

As of 19 May 2025

- BNP's financial strength is based on its strong franchises across retail, commercial and investment banking, and its wide business and geographic diversification. Profitability is sound and fairly resilient, while asset quality has held up well.
- Uncertainty around the financial health of the French sovereign and its ratings have the capacity to weigh on BNP's stock price and its credit spreads.
- Capital ratios are run tightly considering BNP's balance sheet size, although this is in the context of its liquid and well-managed risk profile.

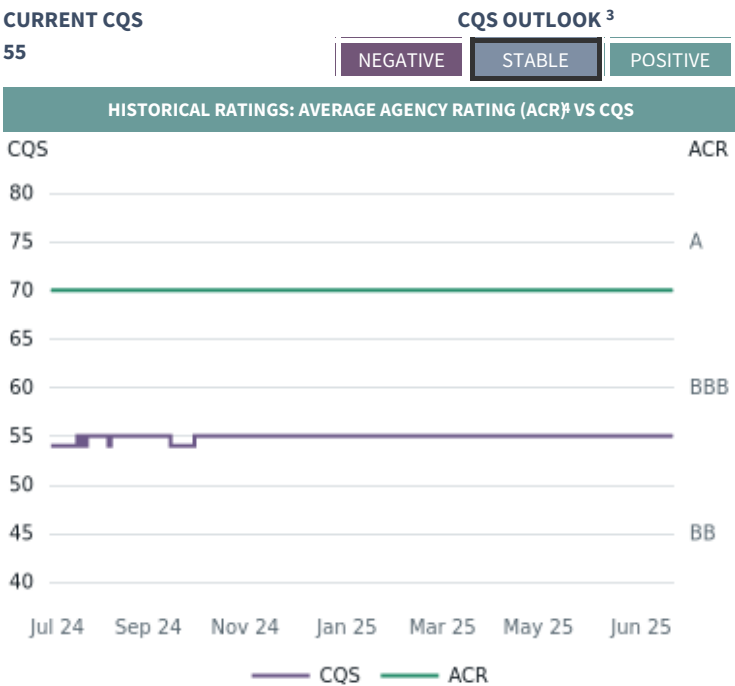
RISKS & CATALYSTS

As of 19 May 2025

- BNP Paribas remains the subject of various claims concerning the Madoff matter; amongst other claims. Litigation provisions on the balance sheet stood at €841 mn at 30 June 2024. BNP says the latest claims against it stand at \$1.1 bn as of June 2024.
- If there was a negative rating action on the sovereign via an outlook change or notch downgrade, it is possible that BNP's ratings will be impacted but it is difficult to say with any uncertainty. France represents around 30% of revenues and gross commitments on balance sheet and sovereign bond holdings are moderate; we discuss more below.
- There were signs of modest asset quality deterioration in 1Q25, although the bank has not revised its guidance, which targets cost of risk of 40 bp in 2025 and 2026.

CREDIT QUALITY SCORE (CQS)²

As of 30 Jun 2025



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