

BGL BNP PARIBAS FINANCIAL RESULTS AT 30 JUNE 2019

Increase in net half-year profit
Robust growth in commercial activities

- Group consolidated net profit increases to EUR 182.6 million
- Net banking income up 9% to EUR 753.8 million
 - Luxembourg Retail and Corporate Banking recorded 13% growth in average deposits and 8% growth in average loan outstandings compared with the first half of 2018.
 - Following the integration of ABN AMRO Bank (Luxembourg) S.A., Wealth Management reported more than 15% growth in assets under management and 30% growth in average loan outstandings.
 - Leasing International continued to expand its business in line with its strategy, with average loans outstanding up 6% and the development of new services.
- Overheads of EUR 396.3 million
 - Investment costs rose due to the integration of new subsidiaries and continued investment in business development and the range of digital services.
 - Ongoing expenditure remains in check and tied to growth.
- High solvency maintained
 - Own funds amounted to EUR 6.1 billion.
 - The solvency ratio reached 23.1% (under Basel III rules), well above the regulatory minimum.

On 5 September 2019, the bank's Board of Directors examined the consolidated financial statements of BGL BNP Paribas under IFRS (International Financial Reporting Standards) at 30 June 2019.

Net banking income reached EUR 753.8 million, up 9% on the first half of 2018 (EUR 693.1 million). This increase is mainly down to the strong commercial dynamics across the various business lines, even amid lingering economic uncertainty.

Luxembourg Retail and Corporate Banking recorded 8% growth in average loan outstandings, boosted by an increase in mortgages and investment loans. Average deposit volumes grew by 13%, largely due to excellent inflows from corporate clients associated with the development of international cash management services.

During the second half of 2018, the **Wealth Management** business line absorbed the banking business of ABN AMRO Bank (Luxembourg) S.A. Compared with the first half of 2018, Wealth Management posted growth of more than 15% in assets under management. All segments are showing improvement in terms of net capital inflow. Thanks in particular to a bespoke range of financing solutions, Wealth Management's average loan outstandings grew by 30%.

The bank took advantage of its status as a member of the international BNP Paribas Group to offer market products and services to its corporate and institutional investor clients through its **Corporate and Institutional Banking** business line. The business line's 2019 targets have been confirmed.

Leasing International's business operations, which are benefiting from the continued commercial development in strategic regions, recorded average loan outstanding growth of 6% owing to the development of new services for the benefit of clients and to several subsidiaries entering the scope of consolidation.

Overheads were EUR 396.3 million, up 6% on the first half of 2018 (EUR 375.2 million). This rise is mainly attributable to several subsidiaries entering the scope of consolidation (especially ABN AMRO Bank (Luxembourg) S.A.) and investments aimed at supporting the business development plan and digital transformation.

Gross operating income amounted to EUR 357.5 million, up 12% on the first half of 2018 (EUR 317.9 million).

Cost of risk stood at EUR 51.9 million, which is an extremely low level given outstandings in the region of EUR 33 billion.

The **share of the net profits of equity affiliates** (i.e. the share of net profits of subsidiaries in which the bank does not have a majority shareholding) stood at EUR 11.3 million, compared with EUR 3.1 million in the first half of 2018. This is mainly down to the rise in net profit at Cardif Lux Vie.

Group consolidated **net profit** for the first half of 2019 reached EUR 182.6 million, up 39% on the net profit as at 30 June 2018 (EUR 131.2 million), which had been affected by an exceptional tax cost following a raised estimate of the value of BGL BNP Paribas' participation in BNP Paribas Leasing Solutions S.A.

At 30 June 2019, the **balance sheet total** stood at EUR 57.1 billion, 5% higher than at 31 December 2018 (EUR 54.6 billion).

High solvency maintained

The bank's solvency ratio was 23.1% (under Basel III rules), well above the regulatory minimum. With the Group's share of regulatory capital amounting to EUR 6.1 billion, BGL BNP Paribas is well placed to back its clients' projects and investments.

Highlights of the first half of 2019

The first half of 2019 saw the beginning of the bank's 100th anniversary celebrations. But it was also a time for innovation, with the launch of Genius and Apple Pay, and for social responsibility, with the bank launching the Act for Impact initiative and signing IMS Luxembourg's Zero Single-Use Plastic manifesto.

100 ans d'histoire, 100 ans d'avenir

BGL BNP Paribas' 100th anniversary was marked on 17 June 2019 with an official ceremony heralding the start of the anniversary celebrations, another highlight of which will be a conference on corporate responsibility and sustainable development in November.

Banque Générale du Luxembourg was established on 29 September 1919. Guided by its founding principle of serving the Luxembourg economy, the bank has actively contributed to the emergence and development of Luxembourg's financial center. Now one of the country's leading financial players, the bank offers a wide array of banking and insurance products and services to its retail, professional and institutional clients.

Bolstered by its history and membership in the BNP Paribas Group, and with the ability to innovate and adapt on its side, BGL BNP Paribas is in an excellent position to respond to major socio-economic challenges such as the digital transformation and the energy transition.

Launch of Genius, a personalised intelligent digital assistant

In March 2019, BGL BNP Paribas launched Genius, a fully digital service intended to help clients with the day-to-day management of their accounts. Using an artificial intelligence algorithm, Genius sends personalised messages in the form of advice, alerts and recommendations, enabling clients to better manage their budget and monitor spending. Genius is automatically available in the Web Banking app for smartphones at no additional cost, and can be disabled at any time.

Apple Pay available in Luxembourg since May 2019

On 21 May 2019, BGL BNP Paribas brought its customers Apple Pay, which is transforming payments with an easy, secure and private way to pay. With Apple Pay on iPhone, Apple Watch, iPad and Mac, customers can make fast and convenient purchases in stores, in apps and on websites. Apple Pay is easy to set up and users will continue to receive all of the rewards and benefits offered by credit and debit cards.

Apple Pay was welcomed with open arms in Luxembourg: 40% of iPhone-owning clients that make use of the bank's digital services are already using this new mobile payment method.

Act for Impact, an initiative dedicated to social entrepreneurs

On 6 May 2019, BGL BNP Paribas officially launched Act for Impact, an initiative to provide solutions adapted for social entrepreneurs and to promote positive social and environmental action. On several different fronts, Act for Impact is working to meet the specific needs of these

businesses. It includes a customised financial and non-financial offering, enabling social enterprises to benefit from concrete support at each stage of their development, whether in the search for financing or the realisation of their project.

Signature of IMS Luxembourg's Zero Single-Use Plastic manifesto

Plastic waste is an ecological emergency to which BGL BNP Paribas has already begun to respond with a number of past initiatives. These include introducing the Ecobox (SuperDrecksKëscht®) in its restaurant areas, removing disposable cups, plastic cutlery and straws, and encouraging all employees to use reusable mugs, bottles and cutlery.

In an effort to take these actions even further, BGL BNP Paribas recently signed the Zero Single-Use Plastic manifesto launched by IMS Luxembourg of which the bank is a member. It was joined in this initiative by the other seven entities of the BNP Paribas Group in Luxembourg: Arval, Cardif Lux Vie, BNP Paribas Asset Management, BNP Paribas Securities Services, BNP Paribas Real Estate Investment Management, BNP Paribas Real Estate Advisory & Property Management and GreenStars BNP Paribas.

Best Bank in Luxembourg yet again

At the 2019 Euromoney Awards for Excellence, *Euromoney* magazine named BGL BNP Paribas Best Bank in Luxembourg for the fourth year in a row.

In early 2019, the bank also took top prize at the 2019 Euromoney Private Banking Awards, reinforcing its position as a leading private banking provider in Luxembourg. The bank also topped the rankings for philanthropic advice and social impact investing.

BGL BNP Paribas' report for the half-year to 30 June 2019 is available in French at www.bgl.lu

About BGL BNP Paribas

BGL BNP Paribas (www.bgl.lu) is one of the largest banks in Luxembourg and part of the BNP Paribas Group. It offers an especially wide range of financial products and bancassurance solutions to individuals, professionals, businesses and private banking clients. At end 2018, BGL BNP Paribas employed 2,474 people in Luxembourg.

BGL BNP Paribas was named Bank of the Year 2018 in Luxembourg by *The Banker* and, in 2019, Best Bank in Luxembourg by *Euromoney* for the fourth year in a row.

About BNP Paribas

BNP Paribas is a leading bank in Europe with an international reach. It has a presence in 72 countries, with more than 202,000 employees, of which more than 154,000 in Europe. The Group has key positions in its three main activities: Domestic Markets and International Financial Services (whose retail-banking networks and financial services are covered by Retail Banking & Services) and Corporate & Institutional Banking, which serves two client franchises: corporate clients and institutional investors. The Group helps all its clients (individuals, community associations, entrepreneurs, SMEs, corporates and institutional clients) to realise their projects through solutions spanning financing, investment, savings and protection insurance. In Europe, the Group has four domestic markets (Belgium, France, Italy and Luxembourg) and BNP Paribas Personal Finance is the European leader in consumer lending. BNP Paribas is rolling out its integrated retail-banking model in Mediterranean countries, in Turkey, in Eastern Europe and a large network in the western part of the United States. In its Corporate & Institutional Banking and International Financial Services activities, BNP Paribas also enjoys top positions in Europe, a strong presence in the Americas as well as a solid and fast-growing business in Asia-Pacific.

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