

Luxembourg, 6 April 2023

PRESS RELEASE

BGL BNP Paribas: Consolidated results as at 31 December 2022

Strong growth in commercial activities
Continued roll-out of the 2022-2025 Strategic Plan

On 6 April 2023, the Ordinary General Meeting of Shareholders, chaired by Etienne Reuter, approved the BGL BNP Paribas consolidated financial statements for the financial year ended 31 December 2022, in accordance with international financial reporting standards (IFRS).

At EUR 1,689.4 million, **net banking income** increased 4% on 2021 (EUR 1,621.1 million). This increase is the result of strong commercial momentum in the Group's various business areas, thanks to the teams' firm commitment to their clients.

In 2022, the bank fully benefited from its diversified and integrated model around three types of clients: retail banking, private banking and corporate banking, which rely on specialised business lines (such as cash management, trade finance and asset financing). Combined with an integrated model, this diversification helps the various commercial franchises work in close collaboration with each other, and offers the different client segments a range of comprehensive and diverse products and services.

In the **Retail and Corporate Banking** segments, average deposits increased by 7%, primarily driven by corporate clients. Average loans outstanding recorded 6% growth, boosted by an increase in loans to both companies and individuals.

Wealth Management assets under management rose by 1% thanks to strong inflows, partially offset by the impact of the decline in stock market indices in 2022. Average deposits rose by 2%, while average loans outstanding were down slightly by 2%.

In **International Leasing**, 2022 was marked by late equipment deliveries due to supply chain disruptions, as well as an increase in financing costs and competitive pressure. Building on strong momentum recorded in previous years, the business nevertheless proved resilient with volumes up 1% and an improving outlook at 2022 year-end. Average outstandings increased 4%.

Overheads totalled EUR 854.4 million, up 4% on 2021. In an inflationary context and with regulatory pressure still on the rise, in 2022 the bank continued its investments to support its business growth and transformation as part of its GTS 2025 plan (Growth, Technology, Sustainability).

Gross operating income amounted to EUR 835 million, up 4% versus 2021 (EUR 802.8 million).

Cost of risk amounted to EUR 72.5 million, down 5% on 2021. It was low compared with outstanding client loans of EUR 38 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), came to EUR 16.9 million, compared with EUR 12.9 million in 2021.



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Group consolidated **net profit** amounted to EUR 408.1 million, up 4% compared with 2021 (EUR 394.3 million).

At 31 December 2022, the **balance sheet total** stood at EUR 61.9 billion, stable compared with 31 December 2021 (EUR 62.1 billion).

High solvency maintained

The solvency ratio was 23.3% under Basel III rules, compared with 23.5% in 2021, well above the required regulatory minimum of 12%. With the Group's share of regulatory capital amounting to EUR 6.4 billion, BGL BNP Paribas has a solid financial structure and is well placed to support the development, transformation and innovation of all of its clients.

Continued roll-out of the 2025 Development Plan

BGL BNP Paribas has continued implementing its ambitious development and transformation plan, in keeping with the BNP Paribas Group 2022-2025 Strategic Plan. Referred to as GTS 2025 (Growth, Technology, Sustainability), the plan aims to successfully carry through the Group and BGL BNP Paribas' transition to a new sustainable economic model.

- Growth: pursuit of sustainable growth by leveraging the Group's position as a European leader.
- Technology: harnessing technology for continuous improvement in client/employee experience and operational efficiency.
- Sustainability: ramping up and involving all Group businesses in issues around sustainable finance.

In an effort to make the bank easier to contact, no matter what form of communication the client chooses (in-branch, phone, online), this plan seeks to digitise the entire client pathway. This also includes adapting the operating model to make it more industrial, transforming the bank's technological base and deploying new, more agile and flexible working methods. Meanwhile, the implementation of the bank's commitment to sustainable finance and corporate social responsibility was stepped up.

Digital innovations in 2022

In response to the changing habits of clients, who are seeking an increasingly broad range of remote services, major investments have been made to improve the customer experience. As such, thanks to its **partnership with i-Hub**, BGL BNP Paribas now offers a secure digital solution, integrated within Web Banking, that lets clients manage and update their personal data. An entirely free personal digital file lets clients securely store their identification documents (such as a copy of their ID card or certificate of residence, etc.).

The bank further expanded its digital offer, and new services were added to improve the customer experience:

- **Account aggregation**, to view accounts held at other banking institutions;
- The addition of an **e-shop feature** in Web Banking, letting clients order a new bank card or any other product available online;
- The option to **block/unblock cards** if they're lost or stolen;

- The **fully digital AideFi student loan**, accessible via a QR code issued by the Ministry of Higher Education and Research;
- The review and simplification of the **credit protection insurance digital subscription** pathway;
- The new **Direct Invest Clic** product, with online subscription to help beginner investors take their first solo steps into the investing world.

BGL BNP Paribas also supports public innovation. As part of a project financed by the Alphonse Weicker Foundation, it teamed up with the Interdisciplinary Centre for Security, Reliability and Trust (SnT) at the University of Luxembourg to create an artificial intelligence model based on cutting-edge BERT technology. Luxembourg thus has its own open source language model, **LuxemBERT**, which is publicly accessible online.

Sustainable finance and Corporate Social Responsibility at every level

BGL BNP Paribas has strengthened employee training in sustainable finance and development, giving them the tools and knowledge they need to support the bank's clients in their transition. In 2022, over 230 employees completed the **Sustainability Essentials for Business** training prepared by the Institute for Sustainability Leadership at the University of Cambridge.

BGL BNP Paribas has also launched a new **impact financing product**: a loan where the interest rate is tied to the achievement of clearly defined ESG objectives. This product aims to support and encourage Luxembourg companies in developing their CSR (Corporate Social Responsibility) strategy and in their energy transition.

The bank also continued to expand its range of responsible products and services. As part of this work, in 2022 it launched an **energy retrofitting offer**, extending from energy assessments to technical advice, project financing, and administrative support to help clients obtain government subsidies.

Since 2022, the bank has offered **more environmentally-friendly bank cards**, made from 84% corn starch (PLA – polylactic acid).

During the Euromoney Private Banking and Wealth Management Survey 2022, the bank was ranked first in Luxembourg in the **ESG/Sustainable Investing** category. This award reflects BGL BNP Paribas' longstanding commitment to integrating responsible funds into the investment portfolios it offers to its clients.

In partnership with the Luxembourg Tennis Federation (*Fédération Luxembourgeoise de Tennis*), the bank is committed to supporting responsible tennis. The **"Responsible Tennis"** project involves retrieving used tennis balls and transforming them into sports flooring.

BGL BNP Paribas received **ISO 50001 certification** for its Kirchberg buildings in early 2022. ISO 50001 recognises companies that have introduced an energy management system to lower their energy consumption and spending, and thereby reduce their carbon footprint.

Béatrice Belorgey, Chair of the Executive Committee of BGL BNP Paribas and Head of the BNP Paribas Group entities in Luxembourg, said: "We're supporting our clients through this uncertain economic context and helping them handle new social challenges. Our teams are deeply committed to supporting our clients – both individuals and companies – in their transition towards

a more sustainable world. To do so, we rely on the wealth of the BNP Paribas Group's resources in Luxembourg, combining a unique set of skills with a personalised day-to-day relationship. I would like to thank our employees for their contribution throughout the year, and our clients for continuing to place their trust in us."

BGL BNP Paribas' annual report for the year ended 31 December 2022 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 the Grand Duchy of Luxembourg and a member of the BNP Paribas Group. It offers its retail, professional, corporate and private banking clients a particularly wide range of financial products and bancassurance solutions. At 2022 year-end, BGL BNP Paribas employed 2,152 people in Luxembourg.

About BNP Paribas

BNP Paribas is the number one bank in the European Union and a leading international player. It operates in 65 countries and has close to 190,000 employees, including over 145,000 in Europe. The Group holds leading positions in its three major operating divisions: Commercial, Personal Banking & Services for all of the Group's commercial banks and several specialist business lines including BNP Paribas Personal Finance and Arval; Investment & Protection Services for savings, investment and protection solutions; and Corporate & Institutional Banking, centred around Corporate and Institutional clients. With a solid model that is both diversified and integrated, the Group guides its clients (private individuals, non-profit organisations, entrepreneurs, SMEs, large companies and institutions) and helps them to achieve their goals by offering funding, investment, savings and protection services. In Europe, BNP Paribas has four domestic markets: Belgium, France, Italy and Luxembourg. The Group is also implementing its commercial banking model in the Mediterranean countries, Turkey, Eastern Europe, and US west coast. A top international bank, the Group has leading business lines and platforms in Europe, a strong presence in the Americas, and a solid and rapidly growing presence in the Asia-Pacific region.

BNP Paribas assumes its social and environmental responsibility in everything it does, contributing towards the development of a sustainable future while ensuring the performance and stability of the Group's work.

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