

BGL BNP Paribas: Consolidated results as at 31 December 2024

Very good commercial performance across all business lines along with very solid financial structure

On 3 April 2025, the Ordinary General Meeting of Shareholders, chaired by Bob Kieffer, approved the BGL BNP Paribas consolidated financial statements for the financial year ended 31 December 2024, in accordance with international financial reporting standards (IFRS).

Against a backdrop of moderate economic growth, 2024 was marked by falling inflation, accompanied by gradual cuts in central banks' key rates as well as growing geopolitical uncertainty. With that being the case, the bank continued to benefit fully from its diversified and integrated model, which is structured around three types of client (retail banking, private banking and corporate banking) and comprises specialised business lines (such as cash management, trade finance and asset financing), as well as its international leasing operations.

Net banking income of EUR 1,939.2 million was 5% higher than in 2023 (EUR 1,840.1 million). This increase is the result of strong commercial momentum in the Group's various business lines, thanks to all teams' firm commitment to their clients.

Income from **Retail and Corporate Banking** rose 6%, driven by 4% growth in average deposits, while average loan volumes were down 2% on the back of a lacklustre economic environment.

Wealth Management assets under management rose by 9% thanks to very strong net inflows. Outstanding loans were up 6% at the end of the period.

The sustained sales momentum for **International Leasing** at the start of 2024 helped to generate a 5% rise in production volumes and a 3% increase in income, in spite of the uncertain economic and geopolitical context that followed at the end of the year.

Operating costs were well under control – benefiting from the base effect of discontinuing allocations to the Single Resolution Fund. They are up by just 0.4% on 2023, to EUR 915.2 million, with the biggest factor behind this increase being the full-year effect of salary indexations in 2023. The bank continued making major investments to support business growth and transformation as part of its Growth, Technology, Sustainability 2025 plan.

Gross operating income amounted to EUR 1,024.0 million, up 10% on 2023.

The consolidated **cost of risk** amounted to EUR 141.8 million – or 37 basis points (bps) of EUR 38.4 billion in outstanding client loans – which is EUR 44.2 million higher than in 2023. This increase is mainly due to the **International Leasing** business line, which recorded a EUR 50.5 million increase in its cost of risk in connection with the deterioration of the economic environment in most of the European countries in which this business line operates. At EUR 2.1 million, the cost of risk for BGL BNP Paribas remains very low.

The **share of net profits of equity affiliates** (i.e. the share of net profits of subsidiaries in which the bank does not have a majority shareholding), amounted to EUR 13.4 million, compared to EUR 13.8 million in 2023.

Net gains on fixed assets were down EUR 182.5 million and include a base effect of EUR 181.2 million linked to the capital gain on the sale of the bank's current headquarters at the end of 2023 as well as the application of IAS 29 in respect of the effects of hyperinflation in Turkey, where the International Leasing business line operates.

Group consolidated **net profit** – excluding the impact of the capital gain on the sale of the bank's headquarters at the end of 2023 – rose by 9% to EUR 477.9 million.

At 31 December 2024, the **balance sheet** total stood at EUR 63.1 billion, a figure that is virtually unchanged from 31 December 2023 (EUR 63.3 billion).

High solvency maintained

The Common Equity Tier 1 (CET1) solvency ratio was 23.0% (compared with 24.2% in 2023), still well above the regulatory minimum of 10.3%. With the Group's share of regulatory capital amounting to EUR 6.8 billion, BGL BNP Paribas has a very solid financial structure and is well placed to support the development, transformation and innovation of all of its clients.

Continuation of the development plan

In 2024, BGL BNP Paribas continued to roll out its GTS (Growth, Technology, Sustainability) development and transformation plan that was launched in 2022. After beginning its transformation journey three years ago, BGL BNP Paribas has now achieved many of its goals in this regard, with five key elements driving this progress:

- **Client journeys have been digitised and simplified**, with 63% of eligible products aimed at retail clients now available online. When it comes to their day-to-day needs, clients can select and sign up for the offers that suit them best as well as choose their debit or credit cards. For personal loans, clients can easily assess their maximum borrowing capacity and submit a loan application online, just like they can with mortgages. With Genius, the everyday digital assistant, clients can opt in to receiving advice, alerts and recommendations that can help them manage their budget more effectively.
- The bank's **Service models** have continued to evolve – with a particular focus on **professionals, entrepreneurs and small businesses** – as demonstrated by the creation of five dedicated advice centres and the adaptation of the client contact model in order to make it easier for clients to reach the bank (call take-up rate) and get in touch with its account managers and experts. Web Banking for professional clients has been enhanced through the addition of new features, such as the integration of a financial management solution and the ability to view direct debits and manage payments (including batch payments) independently.
- **Processes have continued to be industrialised and modernised** – notable examples being the **implementation of a joint initiative of the financial sector** regarding Know Your Customer management (i-Hub platform) for natural persons and the launch of the joint ATM network project that brings together six major participants in the Luxembourg financial services market under the Bancomat brand name.

- The **transformation of the bank's technological base** has continued, as can be seen in particular in the ongoing migration of its applications to the Cloud (59% of applications migrated in 2024).
- The bank has also continued to roll out **agility at scale** (an organisational model that enables several multi-disciplinary teams to work together on the same product or service).
- As part of the Luxembourg banking sector's initiative to support the housing market, BGL BNP Paribas created an exceptional one-year facility of EUR 100 million in June 2024 that aimed to finance the construction of around 350 homes. The funding granted under this facility enabled the construction of around 158 homes in 2024.

Signing of a referral agreement with ING Luxembourg

At the beginning of December 2024, ING Luxembourg and BGL BNP Paribas announced that they had concluded a retail client referral agreement. The BGL BNP Paribas teams are fully committed to ensuring a smooth transition for these clients with the help of a simple account opening process and exclusive conditions.

Changes to working methods

With its SmartWorking project, BGL BNP Paribas continues to **enhance its working methods and offer greater flexibility** to its staff for a better work/life balance.

The **two satellite sites** it has opened on the French and Belgian borders, in Bettembourg and Windhof respectively, are helping to reduce the stress caused by road/rail traffic and commuting. In 2024, the satellite site on the Belgian border doubled its capacity.

In 2025, the teams will relocate to the bank's **new headquarters** in Luxembourg-Kirchberg, where construction is almost complete. This building, which meets the highest environmental standards, has been designed to encourage new ways of working and promote staff wellbeing.

Sustainable finance and social/environmental commitment

In order to accelerate the economy's transition towards a more sustainable and inclusive model, BGL BNP Paribas is supporting its clients in their energy transition and continuing to develop its **offer in sustainable financing and investment**.

In terms of financing, the bank offers a complete range of solutions for promoting electric/soft mobility, facilitating energy retrofitting and developing impact financing, working closely with partners to offer support that goes above and beyond the mere financing of its clients' projects.

For investment purposes, the range of themed funds that the bank recommends to its branch network clients is made up exclusively of funds classed under Article 8 or 9 of the Sustainable Finance Disclosure Regulation (SFDR).

To help **raise awareness of social and environmental issues among its employees**, BGL BNP Paribas offers training, programmes and conferences on the topics of climate change, sustainability, social inclusion and solidarity commitments. On the 1MillionHours2Help programme, which enables employees to take part in community support initiatives during their working hours, the number of hours spent volunteering by BNP Paribas Group employees in Luxembourg more than doubled in 2024.

In terms of inclusion, the bank continued to **support women in business**, in particular through its collaboration with the *Fédération des Femmes Cheffes d'Entreprise du Luxembourg* (Federation of Women Entrepreneurs in Luxembourg, or FFCEL). 2024 saw the start of BGL BNP Paribas' partnership with the *Bouge ta Boîte* women's network, through which the bank supports the economic activity of female entrepreneurs and business leaders in an effort to accelerate the position and impact of women in both the economy and society at large.

In early 2024, the Alphonse Weicker Foundation (the BGL BNP Paribas Foundation) welcomed Professor **Jean Tirole, winner of the Nobel Prize in Economic Sciences 2014**, to a conference titled "How to tackle climate change". Representatives from the world of politics and the Luxembourg economy were invited by the Foundation to attend the conference, which was also met with keen interest among employees and in which Professor Tirole reiterated how urgently action needs to be taken to tackle climate change.

In September 2024, the Alphonse Weicker Foundation and BGL BNP Paribas – in collaboration with the National Institute for Sustainable Development and Corporate Social Responsibility (INDR) and the *Union des Entreprises Luxembourgeoises (UEL)* – once again presented the **Sustainable Economic Progress Prize**, honouring business projects and initiatives that are contributing towards a more sustainable and inclusive future. The ceremony was marked by a speech from glaciologist Dr Heidi Sevestre, who impressed upon the audience the importance of science and innovation in the fight against global warming, the urgency with which sustainable economic strategies must be developed, and the need to promote close collaboration between the public and private sectors in order to meet the environmental challenges of today.

Recognised expertise

In 2024, BGL BNP Paribas was named "Best Bank in Luxembourg" by Euromoney; this was followed up by being named "Luxembourg's Best Bank for Sustainability" and "Luxembourg's Best Bank for Discretionary Portfolio Management" at the Euromoney Private Banking Awards 2025.

The ESG (Environmental, Social, Governance) approach that BGL BNP Paribas applies when offering its clients responsible investment products has also been recognised by the LuxFLAG association, which has awarded the bank the following labels:

- *LuxFLAG ESG Discretionary Mandate Label* for the Responsible & Engaged (Balanced & Conservative) and SRI EURO DPM (Dynamic, Balanced & Conservative) discretionary management mandates;
- *LuxFLAG ESG Label* for the PMS Dynamic Responsible and Engaged Euro, PMS Conservative SRI Euro and PMS Balanced SRI Euro sub-funds.

In early 2025, and for the tenth year running, the BNP Paribas Group in Luxembourg was certified as a Top Employer, reflecting the quality working conditions provided to its staff, with three key strengths of BNP Paribas' HR management – listening to employees, change management, and commitment to sustainability – being highlighted as part of this certification.

Béatrice Belorgey, Chair of the Executive Committee of BGL BNP Paribas and Head of the BNP Paribas Group entities in Luxembourg, made the following comments: "Thanks to our diversified, integrated model and the strong commercial momentum across all of the bank's business lines, we achieved very good results in 2024. We are currently in the final stretch of our GTS plan, and a significant number of our transformation ambitions surrounding the three pillars of Growth, Technology and Sustainability have already been achieved in these first three years. In this way, the bank is giving itself the means to respond even better to its clients' expectations, to support them in the realisation of their projects and to help them successfully transition to a more sustainable and inclusive economy, thereby continuing to support the Luxembourg economy. I would like to thank all our teams for their ongoing commitment to serving our retail, business and institutional clients, and our clients for their trust."

BGL BNP Paribas' annual report for the financial year ended 31 December 2024 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 2024, BGL BNP Paribas employed 2,089 people in Luxembourg.

About BNP Paribas

Leader in banking and financial services in Europe, BNP Paribas operates in 64 countries and has nearly 178,000 employees, including more than 144,000 in Europe. The Group has key positions in its three main fields of activity: Commercial, Personal Banking & Services for the Group's commercial & personal banking and several specialised businesses including BNP Paribas Personal Finance and Arval; Investment & Protection Services for savings, investment and protection solutions; and Corporate & Institutional Banking, focused on corporate and institutional clients. Based on its strong diversified and integrated model, 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, BNP Paribas has four domestic markets: Belgium, France, Italy and Luxembourg. The Group is rolling out its integrated commercial & personal banking model across several Mediterranean countries, Türkiye, and Eastern Europe. As a key player in international banking, the Group has leading platforms and business lines in Europe, a strong presence in the Americas as well as a solid and fast-growing business in Asia-Pacific. BNP Paribas has implemented a Corporate Social Responsibility approach in all its activities, enabling it to contribute to the construction of a sustainable future, while ensuring the Group's performance and stability.

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