

BGL BNP Paribas stands with its clients in these exceptional circumstances

In early April every year, BGL BNP Paribas publishes its financial results for the previous year, after the financial statements have been approved at the Ordinary General Meeting. Given the exceptional circumstances brought about by COVID-19, the bank felt it was important to share its approach to supporting its clients through this difficult period alongside its 2019 results.

BGL BNP Paribas has been deeply committed to responding and adapting to the situation as it evolves since the onset of this serious and unprecedented public health crisis. The bank has introduced a series of measures to protect its staff and clients while ensuring continuity for its business. These solutions include spreading the teams across several locations and allowing staff to work remotely. BGL BNP Paribas is taking all necessary steps to continue to support its clients and adapt its systems as the crisis unfolds.

For **retail clients**, the bank has organised its operations so as to minimise physical contact in order to protect the health of staff and clients alike. In accordance with the Luxembourg government's advice on limiting the spread of coronavirus, the bank has temporarily closed certain branches, whereas others are operating by appointment only for essential, urgent operations.

The bank encourages all BGL BNP Paribas clients to use remote banking services where possible and check the website bgl.lu on a regular basis for the latest information. At this difficult time, the bank continues to stand alongside its clients and will work with them to offer responsiveness, advice and pragmatism when assessing issues and finding appropriate solutions.

BGL BNP Paribas has played an active role in discussions within the Luxembourg financial centre to contribute to the government's support measures, and fully supports the economic stabilisation pact that has been announced.

For **professional clients and businesses**, BGL BNP Paribas has introduced a new decision-making process so that requests can be handled as quickly as possible. The bank's advisors are actively engaged in frontline activities such as calling clients, providing explanations and offering guidance on the various types of assistance available.

The bank has implemented specific measures to address immediate concerns for companies that have been affected by the pandemic:

- For existing loans: capital and interest moratoriums of up to six months to ease imminent cashflow concerns.
- For additional cash requirements: introduction of loans secured by varying types of guarantee (e.g. guarantees offered by the Mutualité des Cautionnements, ODL guarantees, loans requiring the involvement of the SNCI, and loans backed by the government).



Geoffroy Bazin, Chairman of the BGL BNP Paribas Executive Committee and Country Head of the BNP Paribas Group in Luxembourg, said: "As one of the major banks in Luxembourg, we have an important responsibility in the context of this unprecedented health crisis. Our role is to assist and support our clients as much as possible during this difficult period. I would like to thank all employees of the bank, who have demonstrated tremendous collective commitment and energy to ensure an adapted service to all our clients."

Financial results for the year to 31 December 2019

In view of the state of emergency declared on 18 March 2020 in the Grand Duchy of Luxembourg and the provisions of the Grand-Ducal Regulation of 20 March 2020 introducing measures in relation to meetings held by companies, the Board of Directors of BGL BNP Paribas decided, to protect the health of all parties, that the Ordinary General Meeting scheduled for Thursday 2 April 2020 would take place without a physical meeting. Shareholders exercised their rights through remote voting.

The Ordinary General Meeting of Shareholders thus held approved the consolidated financial statements of BGL BNP Paribas under IFRS at 31 December 2019.

Net banking income reached EUR 1,515.1 million, up 5% on 2018 (EUR 1,447 million). This increase was mainly down to sustained commercial momentum across the various business lines, even amid persistently low interest rates and economic uncertainty.

Retail and Corporate Banking recorded 9% growth in average loan outstandings, boosted by an increase in mortgages and capital investment loans. Average deposit volumes grew by 12%, largely as a result of excellent inflows from corporate clients associated with the development of cash management services.

Wealth Management, which absorbed the banking division of ABN AMRO Bank (Luxembourg) S.A. in September 2018, posted assets under management over 9% higher than the figure for 2018. 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 18%.

Leasing International's business operations, which are benefiting from continued commercial development in strategic regions, recorded average loan outstanding growth of 5% owing to the development of new services for the benefit of clients and due to several subsidiaries entering the scope of consolidation.

Overheads were EUR 792.4 million, up 4% on 2018 (EUR 763.9 million). This rise is mainly attributable to several subsidiaries entering the scope of consolidation (especially ABN AMRO Bank (Luxembourg) S.A. in September 2018) and investments aimed at supporting the banking and leasing business development plan and digital transformation. Ongoing expenditure remained in check and in line with the trajectory of business activities.

Gross operating income increased by 6% to EUR 722.7 million (EUR 683.1 million in 2018), reflecting a 5% rise in net banking income and a 4% rise in overheads.

Cost of risk stood at EUR 101.3 million, i.e. still at a low level given assets under management of EUR 34 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 14.4 million, compared with EUR 1.1 million in 2018. This is mainly down to the rise in net profit at Cardif Lux Vie.

Group consolidated **net profit** came to EUR 345 million in 2019, up 2% compared with 2018 (EUR 338.9 million).

At 31 December 2019, the **balance sheet total** stood at EUR 56.6 billion, 4% higher than at 31 December 2018 (EUR 54.6 billion).

High solvency maintained

The bank's solvency ratio was 22.7% (under Basel III rules), which was well above the regulatory minimum. With the Group's share of regulatory capital amounting to EUR 6 billion, BGL BNP Paribas is well placed to back its clients' projects and investments.

BGL BNP Paribas' Annual Report for the year to 31 December 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 2019, BGL BNP Paribas employed 2,375 people in Luxembourg.

In 2019, BGL BNP Paribas was named "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 71 countries, with approximately 199,000 employees, of which more than 151,000 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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