



**PRESS RELEASE**  
**Financial Results of BGL BNP Paribas**  
**for the year to 31 December 2010**

**BGL BNP Paribas: a robust, highly committed bank investing in economic development and progress**

- A steep rise in consolidated net profit in a context of significant changes in scope and high investment
  - *consolidated net profit attributable to equity holders: EUR 277 million*
  - *investments totalling EUR 64.4 million*
- High solvency
  - *own funds EUR 4.4 billion*
- Recognition as a socially responsible business
  - *the first universal bank in Luxembourg to win the label*

Gaston Reinesch, Chairman of the BGL BNP Paribas Board of Directors, commented:

*"The healthy results recorded in 2010 demonstrate the stability of the bank and the resilience of its businesses in a year marked by the implementation of its business plan, the objective of which is to even further increase the bank's performance and value. My particular thanks go to all of the bank's employees for their continued commitment towards the implementation of these ambitious goals."*

Eric Martin, BNP Paribas Country Head and Chairman of the BGL BNP Paribas Management Board, commented:

*"Rather than our steep rise in net profit, which was significantly affected by changes in the scope of consolidation, I would like to draw special attention to the commitment that our staff members displayed over a year of exceptional change. And I would like to*



*thank all our clients, individuals and businesses, for their continued confidence and trust."*

Carlo Thill, Chairman of the BGL BNP Paribas Management Board, added:

*"I want to assure all our clients that our staff members are fully committed to providing the quality services they have a right to expect from a Luxembourg bank that benefits from the backing of one of Europe's soundest banking groups.*

*Our priority, now more than ever, is to make BGL BNP Paribas an undisputed benchmark in innovation and financing for the economies of Luxembourg and the "Grande Région".*

\* \* \*

On 7 April 2011, the Ordinary General Meeting of shareholders presided by Gaston Reinesch approved the consolidated financial statements of BGL BNP Paribas at 31 December 2010, presented in accordance with International Financial Reporting Standards (IFRS).

### **A steep rise in consolidated net profit, significantly affected by changes in the scope of consolidation and high investments**

**Net banking income** amounted to EUR 797.6 million, showing little change from the previous year, and reflected in particular a positive contribution estimated at EUR 141 million from BNP Paribas Luxembourg, consolidated from 25 February 2010. Without this, total banking income would have declined 19%. While net banking income on treasury transactions did not reach the exceptional level of the previous year due to changes in market conditions, commercial banking operations made a favourable showing.

Ranking first for services to businesses and second for services to individuals on the domestic market, the **Luxembourg Retail & Corporate Banking** business line posted net banking income amounting to EUR 318 million, with lending up 6,5% for individual clients and 3,9% for professionals. Income from bancassurance operations was up a vigorous 29%.

Private banking business brought together under the **Wealth Management** banner has assets totalling EUR 26 billion under management. BGL BNP Paribas is Luxembourg's number-one private bank, offering domestic and international clients a full range of customized investment and financial engineering solutions.

**Personal Investors** scored fresh gains with rises of 6% in revenue and 10% in assets under management. A provider of on-line services to meet the investment needs of an international clientele, Personal Investors has launched a special offering tailored to the needs of expatriates.

In **Corporate & Investment Banking**, all the bank's market businesses posted sound



results in line with expectations. Major structuring transactions were carried out on behalf of institutions and businesses present on the domestic market. Finally, the bank was actively involved in promoting all BNP Paribas financial products and services in Luxembourg.

**Operating expenses** totalled EUR 432.8 million, showing a rise of EUR 109.5 million due to significant investments (training, software, systems development and real estate) resulting from the industrial project adopted in 2009 and amounting to EUR 64.4 million, as well as the integration of BNP Paribas Luxembourg for around EUR 63.0 million. Excluding these exceptional items, operating expenses would have shown a net decline of some EUR 18 million or around 6%.

After these items, **gross operating income** came in at EUR 364.7 million, EUR 123.4 million below the figure for 2009.

The **cost of risk** came in at EUR 34.4 million for 2010 compared with a positive impact of EUR 16.9 million in 2009, a figure that reflected reversal of exceptional provisions in an amount of EUR 69.6 million relating to the sale of a portion of the structured credit portfolio.

**Pre-tax profit on ordinary business** thus came to EUR 327.9 million compared with EUR 510.6 million for the previous financial year.

All told, BGL BNP Paribas closed the 2010 year, which saw extensive changes in the scope of consolidation, with a **consolidated net profit** of EUR 277.0 million attributable to equity holders of the parent compared with EUR 6.2 million for the year to 31 December 2009.

Results in that year had been affected by a negative contribution of EUR 417 million from discontinued business, due in particular to the scale of provisions for leasing business, whereas the negative impact of business transfers was limited to EUR 1.6 million in 2010.

The business of BNP Paribas Luxembourg, the Luxembourg subsidiary of the BNP Paribas group, was consolidated by BGL BNP Paribas following the latter's acquisition of all its shares on 25 February 2010, which gave rise to the merger of the two banks on 1 October 2010. The consolidation of BNP Paribas Luxembourg and its subsidiaries from 25 February 2010 made a positive contribution of EUR 85.6 million to net profit.

In the first half of 2010, the bank sold its BGL Securities Services business to BNP Paribas Securities Services, which is thus now at the front of the field for securities and investment fund services in Luxembourg.

Finally, integration of the former Fortis group companies managing investment funds and leasing business with those of the BNP Paribas group diluted the bank's holdings and at 31 December 2010 they represented 5.1% of BNP Paribas Investment Partners



and 33.3% of BNP Paribas Leasing Solutions, the Luxembourg holding company heading all the leasing business of the BNP Paribas group.

### **High solvency ratio**

A solvency ratio of 23.1% compared with the legal minimum of 8% attests the solidity of BGL BNP Paribas and its capital base, with regulatory own funds of EUR 4.4 billion for a balance sheet total of EUR 38 billion.

### **Active commitment to social responsibility in a changing world**

BGL BNP Paribas is the largest banking employer in Luxembourg and a leader in many sectors of the country's financial services industry. It is also the first universal bank to obtain official recognition as a Socially Responsible Business from Luxembourg's Institut National pour le Développement Durable et la Responsabilité Sociale des Entreprises (INDR). This rewards the unfailing support of the bank and its staff members for activities favouring social, environmental and cultural causes.

#### **About BGL BNP Paribas**

BGL BNP Paribas ([www.bgl.lu](http://www.bgl.lu)) is one of the largest banks in the Grand Duchy of Luxembourg. As a leader on its domestic market, it offers an especially wide range of financial products to individuals, professionals, private banking clients and businesses. BGL BNP Paribas is Luxembourg's number-one provider of banking services to professionals and small- and medium-size companies, and number two in services for individuals. It is also the leader for bancassurance.

#### **About BNP Paribas**

BNP Paribas ([www.bnpparibas.com](http://www.bnpparibas.com)) is one of the six strongest banks in the world\*. The Group has a presence in more than 80 countries and more than 200,000 employees, including more than 160,000 in Europe. It ranks highly in its three core activities: Retail Banking, Investment Solutions and Corporate & Investment Banking. In Europe, the Group has four domestic markets (Belgium, France, Italy and Luxembourg) and BNP Paribas Personal Finance is the leader in consumer lending. BNP Paribas is rolling out its integrated retail banking model across the Europe-Mediterranean zone and boasts a large network in the western part of the United States. In its Corporate & Investment Banking and Investment Solutions activities, BNP Paribas also enjoys top positions in Europe, a strong presence in the Americas and solid and fast-growing businesses in Asia.

\* Rated AA by Standard & Poor's i.e. 3rd rating level on a scale of 22.

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