



**PRESS RELEASE**  
**Financial Results of BGL BNP Paribas**  
**for the year to 31 December 2011**

- **Net profit rises in an unsettled environment**
  - *Net profit: EUR 297.8 million*
  - *Positive trend in commercial activities, operating expenses under control*
- **Robust solvency**
  - *Own funds of EU 5.5 billion*
  - *High solvency ratio*
- **Financial partner to retail customers and the national economy**
  - *Property loans to retail customers: average loans outstanding +5%*
  - *Investment loans to retail and business customers: average loans outstanding 3.5%*
- **Bank of the Year 2011 in Luxembourg (source: *The Banker*)**

Gaston Reinesch, Chairman of the Board of Directors of BGL BNP Paribas, said: *“In addition to the positive results attained in 2011 amid a difficult economic and financial environment, the financial year under review was also marked by the last aspects of the industrial plan that had been adopted by the Board of Directors in November 2009 after in-depth analysis and discussion. I would like to thank all our employees for the great effort and hard work carried out in order to achieve the objectives of this ambitious project. Through this collective team endeavour and the active support of its two main shareholders, BNP Paribas and the State of Luxembourg, the bank has the edge it needs to guarantee its development as well as the best possible service to its clients, both households and businesses, thereby supporting the local economy. These efforts also allow the bank to consolidate employment and create value for its shareholders.”*

Commenting on the results, Eric Martin, Country Head for BNP Paribas and Chairman of the Management Board of BGL BNP Paribas, said: *“Customer satisfaction and employee commitment guided by professional ethics are the twin principles that ought to guide the business of banking in all circumstances. We are proud to have been simultaneously*



*named Bank of the Year 2011 in Luxembourg and accredited as a Socially Responsible Business. I would like to thank our staff, shareholders and especially our customers, without whom we would never have earned these distinctions”.*

Carlo Thill, Chairman of the Management Committee of BGL BNP Paribas, commented:  
*“These strong operating performances confirm our position as the financial partner for retail and business customers. The growth in the number of property and investment loans extended in 2011 underlines our commitment and determination to play our part in financing the economy of the country and the Grande Région. Now, more than ever, the central purpose of our bank and employees is to help all our customers to realise their projects”.*

\* \* \*

On 5 April 2012 the Ordinary General Meeting of Shareholders, chaired by Gaston Reinesch, approved the consolidated financial statements under IFRS at 31 December 2011.

### **Consolidated net profit rises in a difficult environment**

Amid a difficult economic environment, BGL BNP Paribas reported **consolidated net profit** of EUR 297.8 million in 2011.

**Net banking income** amounted to EUR 793 million, down 1% or EUR 4.6 million on FY2010. The slight decline was attributable to a fall in income at Corporate & Investment Banking and Treasury Management. Business income at Retail & Corporate Banking and Wealth Management improved.

In 2011 BGL BNP Paribas confirmed its position as the country’s second-ranked retail bank and the leading business bank. With a 2% increase in business income, the **Luxembourg Retail & Corporate Bank** continued to be a valuable partner to households and businesses, as average outstanding loans increased by 5% in property lending and by 3.5% for investment loans. In addition, the bank opened an ultra-modern new branch (“Agence Europe”) in 2011, bringing the total number of outlets to 38.

**Wealth Management** business income increased by 6% in 2011. The business reorganised its activities on the local market over the course of the year, introducing a new approach to **private banking** backed by the branch network and placed under the BGL BNP Paribas Wealth Management banner. As part of this process, the Bank opened six new private banking centres (in Wiltz, Ettelbruck, Esch-sur-Alzette, Strassen, Luxembourg-Gare and Luxembourg-Ville), where customers obtain guidance from a single advisor who looks after all their needs.

A specialist in providing on-line support to cater to the investment needs of an international clientele, **BNP Paribas Personal Investors** saw a further increase in business, with net inflows of new funds up 5%. Through its The Bank For Expats® brand,



BNP Paribas Personal Investors continues to attract new expatriate customers, who receive bespoke services.

**Corporate & Investment Banking** had to cope with extremely challenging market conditions in 2011 – especially in the second half – compounded by increasingly tough regulatory requirements. Given this situation, the various branches of the business turned in satisfactory performances.

**Overheads** were kept under control and totalled EUR 417.7 million, down 4% or EUR 15.2 million compared with 2010.

Reflecting the above, **gross operating income** amounted to EUR 375.3 million, up 3% on 2010. The cost/income ratio improved from 54% in 2010 to 53% in 2011.

The **cost of risk** rose from EUR 34.4 million in 2010 to EUR 157.3 million. The EUR 122.9 million increase was chiefly attributable to the bank's decision to set aside provisions covering 75% of its exposure to Greek sovereign debt, which resulted in the recognition of EUR 113.8 million in value adjustments in 2011.

**Non-operating earnings** were up sharply, driven by performances of the leasing businesses of the BNP Paribas Group, in which the bank holds a 33.3% stake, and by gains on subsidiary disposals and restructuring, notably the restructuring of Luxembourg life insurers Fortis Luxembourg Vie and Cardif Luxembourg International, which were merged and in which BGL BNP Paribas holds a 33.3% stake.

**Consolidated net profit** (group share) amounted to EUR 297.8 million, up EUR 20.8 million or 7% on 2010.

### **Robust solvency**

The bank's solvency ratio at 31 December 2011 is 30.7%, well above the regulatory minimum of 8%. With own funds of EUR 5.5 billion, BGL BNP Paribas is an extremely sound bank that is proud to serve its customers and the Luxembourg economy.

### **Bank of the Year 2011 in Luxembourg**

BGL BNP Paribas's performances and commitment were recognised both at home and internationally in 2011. BGL BNP Paribas was named Bank of the Year 2011 in Luxembourg by *The Banker*, an international magazine, and Best Private Bank in Luxembourg by *Euromoney*.

At home BGL BNP Paribas became the first major bank in Luxembourg to receive the Socially Responsible Business accreditation awarded by the Institut National pour le Développement Durable et la Responsabilité Sociale des Entreprises (INDR).



BGL BNP Paribas's 2011 annual report is available in French at [www.bgl.lu](http://www.bgl.lu).

**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. In 2011 the international magazine *The Banker* named BGL BNP Paribas "Bank of the Year" in Luxembourg.

**About BNP Paribas**

BNP Paribas ([www.bnpparibas.com](http://www.bnpparibas.com)) has a presence in 80 countries with nearly 200,000 employees, including more than 150,000 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 Mediterranean basin countries, in Turkey, in Eastern Europe and 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.

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