



PRESS RELEASE
BGL BNP Paribas financial performance
at 30 June 2012
Diversification in commercial banking activities that
register strong performance

- **Earnings up sharply**
 - *For the first time, BGL BNP Paribas consolidates BNP Paribas Group leasing activities, in which it took a controlling interest on 30 March 2012. This business contributed EUR 138.4 million to net banking income in the first half of 2012 which goes up 14% to EUR 455.7 million.*
 - *Like-for-like, and excluding exceptional items related to a reduction in the sovereign bond portfolio (-EUR 55.7 million) and to the revaluation of own funds (-EUR 17 million), net banking income was EUR 390 million, in line with the first half of 2011*
 - *Strong results from core businesses*
- **Firm control of operating expenses**
 - *Like-for-like operating expenses up just 1.6% to EUR 205.1 million*
- **A notable improvement in the cost of risk**
 - *Cost of risk slashed 76% to EUR 10 million, as the first half of 2011 was affected by provisions for Greek sovereign debt*
- **High solvency**
 - *Regulatory own funds of EUR 5.7 billion*
 - *Substantial 19.9% solvency ratio*
- **A financial partner for individuals and businesses**
 - *€1 billion made available to businesses*
 - *Continued investment in retail and corporate banking*
- **A socially responsible company for a changing world**
 - *Permanent presence in the jobs market*
 - *Skills lending programmes for NGOs*



On 30 August 2012, the BGL BNP Paribas Board of Directors reviewed the consolidated financial statements under IFRS at 30 June 2012(*).

There were two main developments in the first half of 2012.

- ✓ The bank increased its interest in BNP Paribas Leasing Solutions, a holding company that manages the BNP Paribas Group's leasing business. With the aim of diversifying its activities, BGL BNP Paribas raised its stake from 33.33% to 50% plus 1 share. This controlling interest implied full consolidation by the bank from 31 March 2012 onwards.
- ✓ BGL BNP Paribas's commercial banking business lines performed strongly, resulting in a rise in deposits by personal and business customers.

In a difficult economic and financial environment, BGL BNP Paribas reported a **consolidated net profit excluding minority interests** of EUR 109.3 million for the first half of 2012 (compared with EUR 207.6 million at 30 June 2011).

Net banking income totalled EUR 455.7 million, compared with EUR 400 million in the first half of 2011. Excluding the change in scope related to the consolidation of leasing business, net banking income was down EUR 82.7 million, mainly because of sovereign bond sales.

Operating expenses came to EUR 280.5 million, up 39% on the EUR 201.9 million recorded in the first half of 2011. This increase stemmed essentially from the inclusion of costs related to the leasing business. Stripping out this impact, operating expenses were just up just 1.6% on the six months to 30 June 2011.

The **cost of risk** was EUR 10 million. That was EUR 31.1 million less than in the first half of 2011, when EUR 32.8 million was allocated to provisions for the bank's exposure to Greek sovereign debt.

Income from the leasing business has been consolidated in the bank's financial statements since 31 March 2012. In 2011, and up until 30 March 2012, it was booked as **non-operating income**; this largely explains the EUR 64.7 million drop in this item.

In terms of commercial activities, **Luxembourg Retail & Corporate Banking** reported a 2% increase in average loan outstandings and a 6.8% rise in average deposit volume. It also extended EUR 470 million in financing during the period as part of its "€1 billion for businesses in Luxembourg" campaign.

BGL BNP Paribas has also continued to invest in order to be even closer to its customers. Apart from opening six private banking centres and a new branch in late 2011, it pressed ahead with the development of alternative distribution channels, with the introduction of three more ATMs (in Berdorf, Potaschberg and Clervaux).



Private banking reported an increase in assets under management in the first six months of 2012, despite difficult market conditions. The bank's leadership position in Luxembourg private banking was confirmed at the beginning of 2012 by Euromoney, which named it "Best Private Bank in Luxembourg".

Corporate & Investment Banking generated strong performance, particularly from cash operations, even though regulatory constraints are becoming increasingly stringent.

Leasing results for the first half of 2012 were affected by exceptional non-recurrent expenses related to the reorganisation of the business and by a reduction in outstandings, in line with an adjustment plan involving the restructuring of non-strategic activities in certain locations.

High solvency

The bank's solvency ratio was 19.9% at 30 June 2012, well above the 8% regulatory minimum. And with EUR 5.7 billion of regulatory own funds, BGL BNP Paribas has a particularly solid foundation from which to serve its customers and the Luxembourg economy.

A socially responsible company for a changing world

BGL BNP Paribas maintained its presence and visibility on the employment market in the first half of 2012, taking part in many national jobs forums and taking on 70 new employees. The bank also gave 64 university students the opportunity to learn about its business through internships.

At the second Luxembourg Green Business Summit in April 2012, the bank won the "Green Workplace of the Year" prize, awarded to the company with the most effective and innovative management projects and initiatives for an environmentally responsible workplace.

BGL BNP Paribas has also stepped up efforts to promote corporate social responsibility. In the first half of 2012, it invested particularly heavily in skills lending as part of a programme launched at the end of 2011 aimed at assessing the rich store of know-how that exists among BNP Paribas staff in Luxembourg. The idea is to make these skills available both to non-governmental organisations and to charities.

** BGL BNP Paribas's 2012 half-year report is available in French and can be downloaded from www.bgl.lu.*



EUR millions

Consolidated half-year results

	First half 2012	First half 2011	Second half 2011
Net banking income	455.7	400.0	393.0
Operating expenses	-280.5	-201.9	-215.8
Cost of risk	-10.0	-41.1	-116.2
Net profit (excluding minority interests)	109.3	207.6	90.2

About BGL BNP Paribas

BGL BNP Paribas (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) 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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