



PRESS RELEASE

BGL BNP Paribas financial results for the year to 31 December 2013

- **Excluding exceptional items, results are thoroughly satisfactory in the current economic environment**

Consolidated net profit under IFRS (Group share) came to €336.9 million. Excluding exceptional items, profit rose by 8%

- **Banking and international leasing businesses on the right track**

- *Retail & Corporate Banking reported 2% growth in average loan outstandings and a 5% increase in average deposits*
- *Wealth Management put in a strong commercial performance*
- *Leasing International's strategic activities continued to develop positively*

- **Management costs under control**

Management costs fell by 4% excluding exceptional items

- **The strongest capital base of any Luxembourg bank**

- *Own funds of €5.9 billion*
- *Solvency ratio of 25.7%, well above the regulatory minimum*

- **A socially responsible bank committed to serving the economy and investing in the future**

- *Launch of expansion project for Kirchberg banking centre*
- *Major programme of support for cultural and sporting activities in Luxembourg; continued engagement in the socially responsible economy*



On 3 April 2014, the Ordinary General Meeting of Shareholders, chaired by Georges Heinrich, approved the consolidated financial statements of BGL BNP Paribas under IFRS at 31 December 2013.

Results for FY2012 and 2013 were heavily affected by exceptional items:

1. BGL BNP Paribas took over the BNP Paribas Group's leasing activities at the end of March 2012. This led to differences in consolidation methods between the two years and a disposal loss of €8.2 million (Group share) resulting from the sale of leasing entities linked to banks in the domestic markets of the BNP Paribas Group in France and Belgium.
2. Reflecting the slower pace of asset management activities, the bank recorded a negative €50.5 million value adjustment on its stake in BNP Paribas Investment Partners (compared with a negative adjustment of €50.0 million in 2012).
3. Revaluation of own debt had a negative impact of just €5.6 million in 2013, after €37.6 million in 2012.
4. The results in 2012 also reflected measures to reduce the bank's exposure to sovereign debt, with a negative impact of €56.0 million for net banking income and €2.6 million for the cost of risk.
5. BGL BNP Paribas has established a cost-cutting plan to cope with the impact of regulatory changes and automated exchange of information. As part of this plan, a €41.4 million provision for overheads was set aside in 2013.

€ million Consolidated results under IFRS	FY 2013	FY 2012	Change	Change excluding exceptional items and applying the same consolidation method
Net banking income	1,400.3	1,123.4	25%	1%
Management costs	-721.0	-632.3	14%	-4%
Net profit (Group share)	336.9	266.4	26%	8%

Excluding exceptional items and applying the same consolidation method, the bank put in a thoroughly satisfactory performance given current conditions.

Net banking income, excluding exceptional items and applying the same consolidation method, rose by 1%, reflecting resilient banking businesses and growth in international leasing activities.



Luxembourg Retail & Corporate Banking reported a 2% increase in average loan outstandings relative to 2012, with a strong showing in property loans. Deposits rose 5% on sustained inflows from the corporate segment, private banking growth in Luxembourg in connection with the revised business model and good resilience by the retail segment.

The bank continued to invest in building close client relations by opening two new branches – Esch-Belval and Merl-Jardins de Luxembourg – and refurbishing six existing branches using a new, innovative model that seeks to combine a superior customer experience with cutting-edge technology. BGL BNP Paribas also launched NetAgence, its online banking service, in 2013.

Considerable effort was devoted to client support in a regulatory environment undergoing major change, particularly with the migration to the Single Euro Payments Area (SEPA) and the move to automated exchange of information.

To keep step with developments in its environment, the **Wealth Management** business continued to transform its business model and organisation. In particular, it created three business divisions, each with a specific strategic focus: Mature European Markets, Emerging Markets and Professional Banking.

Amid structural changes in the Luxembourg financial centre, assets under management (AuM) performed in line with projections, with an outflow of 7% of AuM for the Mature European Markets division and net capital contributions of 1% for Emerging Markets. The Ultra High Net Worth Individuals segment put in an outstanding performance, with net inflows in 2013 equivalent to 6% of segment AuM at end-2012.

Results were down in **Corporate and Investment Banking**. This chiefly reflected the flattening of the yield curve, which made it harder to generate cash returns. Foreign exchange and sales of interest rate and forex products were in line with expectations.

International **Leasing** grew strongly in the 14 countries where it operates, while continuing to adjust its non-strategic portfolio. Applying a constant consolidation method, net banking income for Leasing International increased by €27.5 million or 4%.

Management costs rose 14% to €721 million. Excluding exceptional items, overheads fell 4%, reflecting the cost control programme introduced by management.

The **cost of risk** came to €48.8 million (€60.6 million in 2012), with the largest amounts allocated to leasing.

In a challenging regulatory environment marked by exceptional items, BGL BNP Paribas posted **consolidated net profit** of €336.9 million in 2013, up 26% (8% excluding exceptional items), after €266.4 million in 2012.



High solvency

The bank's solvency ratio was 25.7% at 31 December 2013, comfortably above the required regulatory minimum of 8%. With regulatory own funds of €5.9 billion, BGL BNP Paribas has the strongest capital base of any bank in Luxembourg, enabling it to help customers put their plans into action.

A committed, socially responsible bank investing in the future

In March 2013, as work began on the site adjacent to the Kirchberg headquarters, the bank embarked on a huge construction project that will assemble the employees of most BNP Paribas Group entities in Luxembourg at the same location. When the work is completed in June 2016, the site will house almost 4,000 people. In designing this project, BGL BNP Paribas is stressing environmental concerns, paying special attention to eco-friendly technologies and cutting consumption of energy and natural resources.

BGL BNP Paribas kept up its long-standing support for sporting and cultural activities in the country by maintaining its commitments, notably to the Luxembourg Philharmonic Orchestra and the Luxembourg Olympic and Sports Committee. It was a lead sponsor of the Games of the Small States of Europe, held in Luxembourg from 27 May to 1 June 2013. In 2014, the bank will stay on as title sponsor for the BGL BNP Paribas Luxembourg Open women's tennis tournament.

The bank also continued to play its part in the socially-responsible economy. It offers non-governmental organisations a dedicated range of financial products and non-financial services, including a skills-lending programme that employees can participate in. Coup de Pouce is another programme designed to encourage BNP Paribas Group employees and former employees in Luxembourg to get involved in community initiatives. Since the Coup de Pouce initiative was introduced in Luxembourg in 2010, BGL BNP Paribas has supported nearly 100 projects, providing €275,000, of which €86,000 in 2013.

Best Private Bank in Luxembourg

For the third time in five years, BGL BNP Paribas was named Best Private Bank in Luxembourg in the Euromoney Private Banking Survey 2014. The Wealth Management business was rated top out of all Luxembourg banks in the Best Private Banking Services Overall category, as BGL BNP Paribas' peers acknowledged the bank's expertise and extensive range of products and services.

BGL BNP Paribas' 2013 Annual Report 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 the Grand Duchy of Luxembourg. 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 2014, BGL BNP Paribas was named "Best Private Bank in Luxembourg" by Euromoney for the third time in five years.

About BNP Paribas

BNP Paribas (www.bnpparibas.com) has a presence in 75 countries with more than 180,000 employees, including more than 140,000 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-Pacific.

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