

# BGL BNP PARIBAS FINANCIAL RESULTS FOR THE YEAR TO 31 DECEMBER 2015

- Consolidated net profit came to €357.9 million, up 5% compared with 2014
- Net banking income was €1,373.5 million, up 2% compared with 2014
  - Luxembourg Retail and Corporate Banking reported continued growth in average loan outstandings, up 2.8%, and in average deposits, up 6.5%
  - Wealth Management strengthened its position with its target clientele
  - Leasing International continued to expand its business, posting strong revenue growth
- Management costs remained under control
- Gross operating profit was €700.4 million, up 3% compared with 2014
- High solvency maintained
  - Own funds of €5.3 billion
  - Solvency ratio of 22.4% under Basel III rules, well above the regulatory minimum of 10.5%
- Investment in the future
  - Construction project at Kirchberg in final stages

On 7 April 2016, the Ordinary General Meeting of Shareholders, chaired by Etienne Reuter, approved the consolidated financial statements of BGL BNP Paribas under IFRS at 31 December 2015.

**Net profit** for FY 2015 was **€357.9 million**, up 5% compared with 2014.

**Net banking income** was €1,373.5 million, up 2% compared with 2014. In a context of low interest rates, revenues from banking activities were lifted by growth in deposits and loans. Leasing International continued to expand its business, with a 5% increase in outstandings.

**Luxembourg Retail and Corporate Banking** reported a 2.8% increase in average loan outstandings resulting from growth in both property loans and business loans. Average deposits were up 6.5% owing to sizable inflows from the corporate segment as a result of the development of international cash management services. Private Banking reported a further increase in assets under management for resident clients.

The bank continued to deploy its new branch model and to expand its network of automated teller machines. Intent on offering convenient local services to clients, it has extended the opening hours of its branches. The bank has also set up eight business centres to expand commercial services for professional clients.

During the year under review, the bank continued to develop its digital services. Initiatives included launching the mobile payment solution BGL BNP Paribas Digicash and, last September, joining with Auchan Luxembourg and Digicash Payments to introduce this innovative in-store payment solution via smartphone.

The Direct Banking unit, which comprises the online solutions for clients' daily banking needs, now also offers investment solutions for international and resident clients.

Luxembourg Private Banking kept up its efforts to ensure that BGL BNP Paribas sets the standard for private banking in Luxembourg. The five Private Banking locations in the branch network offer integrated and specially tailored financial and wealth management services.

BGL BNP Paribas, the corporate banking leader in Luxembourg, is using BNP Paribas' One Bank for Corporates approach to establish cross-border links with other Group entities, and particularly to assist clients in the property sector in Luxembourg. Cross-selling resulted in several large financing operations to support the local economy and infrastructures, including the Royal Hamilius project financed by BGL BNP Paribas and BNP Paribas Fortis. BGL BNP Paribas is also playing a major role in financing the wind energy sector in the Grand Duchy.

In 2015, **Wealth Management** completed the transformation of its business model for international clients. In January 2015, it launched Family Wealth Solutions, a comprehensive, tailored wealth management service for clients in the BNP Paribas Wealth Management network as well as for external clients. The principal service is the consolidation of non-financial assets and financial assets held by several custodians. This service is rounded out by strategic asset allocation, intermediation and record-keeping services.

Against a backdrop of intense market volatility, development of the international clientele continued, with impetus from International Europe and Emerging Markets and a sizeable contribution from the segment of Ultra High Net Worth Individuals, for whom assets under management grew by 10%.

The results of **Corporate and Institutional Banking (CIB)** were handicapped once again by historically low interest rates and severe regulatory constraints, among other factors. CIB Luxembourg has been restructured to offer a very wide range of products tailored to the needs of its demanding clientele of corporations and institutional investors.

**Leasing International** reported increased and above-target revenues as a result of a strong rise in loan outstandings in most countries and a selective policy in terms of profit margins. In 2015, BNP Paribas Leasing Solutions, a European leader in financing and leasing solutions for business equipment, concluded about 300,000 financing contracts for the real economy.

**Management costs** amounted to €673.1 million, a slight 1% increase on 2014. The reduction in costs resulting from the Simple & Efficient programme offset a portion of the contributions paid as of 2015 to the Single Resolution Fund and the Luxembourg Deposit Guarantee Fund.

**Gross operating profit** was €700.4 million, up 3% compared with 2014.

**Cost of risk** stood at €48.8 million, a low amount for outstandings totalling about €25 billion.

The **share of the net profit of equity affiliates** (i.e. entities in which the bank does not have a majority shareholding) was €9.7 million, compared with a loss of €35.7 million in 2014. The improvement is due mainly to the larger contribution from Leasing International affiliates and to the good performance of Cardif Lux Vie, in which the bank has a 33% interest.

## High solvency maintained

The Bank's solvency ratio was 22.4% according to Basel III rules, well above the regulatory minimum of 10.5%. With regulatory own funds of €5.3 billion, BGL BNP Paribas has the strongest capital base of any bank in Luxembourg, enabling it to support clients in their projects and investments.

## Investment in the future

Construction at the Kirchberg site, which got under way in March 2013, advanced at a steady pace in 2015. Rigorous management and close cooperation among all parties involved were key factors in the good progress of the project.

There are three buildings in the new, 99,000-m<sup>2</sup> Kirchberg Banking Centre: the headquarters of BGL BNP Paribas and two new buildings, one with fourteen floors and the other with six floors. A large majority of BNP Paribas Group personnel in Luxembourg will have their offices at this Centre.

*BGL BNP Paribas' 2015 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. 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 2015 the international magazine The Banker named BGL BNP Paribas "Bank of the Year" in Luxembourg.

### About BNP Paribas

BNP Paribas is a leading bank in Europe with an international reach. It has a presence in 75 countries, with more than 189,000 employees, including more than 146,000 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 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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