

PRIORITY

NEWSLETTER JANUARY 2015

EDITORIAL

by Carlo Thill

SPECIAL OFFER

Benefits offered with
your credit card

NEW DEVELOPMENTS

Manage your accounts
remotely, on the go

SPECIAL REPORT

How can you invest to save
for your retirement, your future
plans and projects?

BENEFITS

Win your tickets to TEFAF!



**BGL
BNP PARIBAS**

The bank for a changing world

bgl.lu

CARLO THILL, CHIEF EXECUTIVE OFFICER, BGL BNP PARIBAS



Dear Sir, Madam,

As the new year begins, I would like to offer you my personal thanks for your loyalty to us.

With the Priority programme, we aim to meet your needs as effectively as possible by establishing a solid relationship and recognising you as a valued customer, offering you a dedicated approach.

Our desire to support you in achieving your goals drives us to promote the model of a bank that offers the best combination of a personalised relationship centred on correspondence with a dedicated advisor and all the benefits offered by new technologies.

In 2014, the bank continued to restructure its branches according to this innovative model that puts the emphasis on a warm welcome, dedicated advice and new technologies.

This concept was recognised with an award at the 2014 Commerce Design Luxembourg contest, organised by the Luxembourg City Trade Association (UCVL).

We are thus continuing to invest in proximity and hospitality, reinforcing our local presence and constantly finding new, innovative ways to serve you better in a changing world.

I would like to end by wishing you all the very best for 2015; may this new year bring you and your loved ones both personal and professional satisfaction.

Carlo Thill
Chief Executive Officer
BGL BNP Paribas

A handwritten signature in black ink, appearing to read 'Thill', written over a horizontal line.

YVES NOSBUSCH, CHIEF ECONOMIST, BGL BNP PARIBAS

When our intuition guides us

As part of the cycle of conferences organised by BGL BNP Paribas, Yves Nosbusch, our Chief Economist, devoted his speeches to **behavioural economics**. The conference was highly instructive on the ways in which each one of us invests, saves and trades.

Behavioural economics is a discipline that combines elements of psychology and economics. It looks at **“aspects of human behaviour that are ignored by traditional economic theories but that can have a major impact on hugely significant economic decisions such as savings, investment, employment contracts and choosing property loans”** in the words of Yves Nosbusch.

At the conference, he specifically raised the question of **overconfidence**. This is a “failing” that has been highlighted in numerous scientific studies, which all agree that overconfidence is something that we all suffer from. One of the most frequently quoted studies in this area consisted in asking motorists if they believed they were better drivers than the average driver in the group. More than 90% of those asked said that they were better drivers, which is impossible, of course, by definition. A large number of them were therefore overestimating their driving skills. This study focused on driving, but can be applied in other areas, particularly in the area of investment and savings, to come back to the world of

banking. In this area, **overconfidence drives us, for example, to opt for local investments, based on the principle that we know more about what is close to us, particularly local companies**. This phenomenon even has a name: **“home bias”**.

There are studies in this area as well, which demonstrate that **the performances posted by investors who favour “local” investment are no better, on average, than those posted by investors without geographical priorities. On the contrary: portfolios that are concentrated on local stocks suffer from a lack of diversification and are exposed to greater volatility**.

Overconfidence is one example of “behaviour” quoted by Yves Nosbusch, among many others. The Chief Economist also referred to the attitudes that we largely adopt in the face of different options, depending on their presentation or even **“loss aversion” that drives us (too much) to delay the sale of investments that are incurring losses and to sell too rapidly those that are generating gains**. This, again, is not without consequences on the financial front. It is therefore useful to know more about these traits of character and behaviour so that we can guard against them, or in any case understand them better. This should not be impossible, since they are repetitive and thus predictable. A note for those who would like to find out more on this subject: Yves Nosbusch has written several articles about it on his blog: www.bgl.lu/chief-economist-en

Yves Nosbusch



Before joining BGL BNP Paribas in 2012, Yves Nosbusch was on the full-time faculty of the Finance Department at the London School of Economics (LSE). He continues to teach a course on financial risk analysis to M.Sc. students at the LSE.

His academic research, published in leading journals such as the Review of Financial Studies and the Journal of Monetary Economics, has concentrated on public debt (sovereign risk, optimal maturity structure) and pension systems. He holds a Ph.D. in Economics from Harvard University and M.Sc. and B.Sc. degrees in Econometrics and Mathematical Economics from the London School of Economics. He was a member of the Council of the Central Bank of Luxembourg from 2010 to 2012. After graduating from the LSE, he worked as an interest rate derivatives trader at JP Morgan in London.

SPECIAL OFFERS



TAKE FULL ADVANTAGE OF THE BENEFITS OFFERED WITH YOUR MASTERCARD GOLD PRIORITY

Have you chosen a MasterCard Gold Priority credit card? As well as being your payment instrument, it gives you access to a number of benefits linked to the world of travel, culture, sport, well-being and fine dining. To enjoy these privileges, all you need to do is activate your personal account on the **Premium Benefits website** www.premium-benefits.lu

This will take you just a few minutes. As soon as your account is activated, you will enjoy discounts and exclusive privileges in many restaurants and shops. As well as these benefits, we offer a programme of events exclusively reserved for clients of BGL BNP Paribas.

INSURANCE AND PRACTICAL SUPPORT - TESTIMONY!

Your MasterCard Gold Priority credit card also comes with a wide range of insurance and practical support benefits, to protect you and make your daily life easier. You also benefit from **Axa Home Emergency cover, which provides emergency assistance at your home in the event of a problem with your plumbing or electricity, or a broken window or lock.**

"I closed the door of my house but had left my key in the lock, inside the house. It was impossible to get back in. I called Axa Home Emergency on the number on the back of my card, for assistance. A locksmith contacted me within the hour. Three hours after my call, the problem was fixed and I got my keys back. Axa Home Emergency took care of everything. The service was fast, efficient and professional," - says one client. A significant point to note: this was fully covered by the insurance policy. "I didn't have to pay anything."

A WINTER FULL OF WONDERFUL ENCOUNTERS THANKS TO PREMIUM BENEFITS

A programme full of exceptional encounters awaits you throughout this winter.

February will be a month of adventure with three original experiences: a visit to a **confectionery workshop** in Metz; an introduction to **the art of designing and making perfume** - from which you will take away an exclusive, Premium Benefits signature fragrance; and finally, set your course to Antwerp for a rare encounter with a **diamond cutter**, followed by cocktails.

During March, you will have the opportunity to take part in a **night golf** event in Luxembourg and a grand soirée to celebrate **Women's Day**, with an event dedicated to well-being. Don't wait - activate your account on premium-benefits.lu to enjoy all these benefits and reserve your place at your preferred events!

If you have lost your activation code, please call 42 42-7001 to obtain a new one.

AUTOFESTIVAL 2015

As a member of the Priority programme, you enjoy a **discount on the Autofestival interest rate!**

Your advisor is ready to work with you and to help you to find the financing solution that is best suited for your project.

Get ready
**FOR YOUR
NEW CAR**



NEW DEVELOPMENTS

MANAGE YOUR ACCOUNTS REMOTELY



FOR IPAD

It could not be simpler to manage your bank accounts wherever and whenever you wish. All you need to do is download the BGL BNP Paribas Web Banking app on your tablet (iPad or Android). The Web Banking app of course allows you **to view all your accounts, see your transaction history and carry out bank transfers**. But it also has the advantage of allowing you to monitor **developments in your portfolio and to contact your advisor via our secure messaging system**. The ergonomics of the Web Banking app have been developed to provide you with access to essential information **easily and quickly**. In terms of **security**, the application meets the most stringent criteria, combining a simple, fast login **with a secure validation system for sensitive transactions**.

FOR IPHONE

A specific app for iPhones will also be available in the near future. This has been developed separately because, unlike a tablet, which is often used by more than one person in the same family, an iPhone is personal. Consequently, it is used differently. From your iPhone, you can **access your accounts even more easily** than from your tablet. Thus, you can either choose to use your Token for each login or go directly to your accounts, at any time, without entering a code! If your iPhone is stolen, **all you have to do is call the bank to deactivate all functions and make the app unusable**. In the near future, **more functionality** will be added to the apps.



Although the Luxembourg economy has regained some colour, at a European level it is still convalescent. This difficult economic environment has resulted in lower returns on traditional savings accounts while, at the same time, **the financial markets have continued to offer good opportunities.**

So that you can benefit from this dynamism, BGL BNP Paribas has developed a range of services and offerings that meet your expectations and your needs. Whether you are new to the world of investing and seeking tools to optimise your portfolio, or an investor seeking to invest over the long term and benefit from expert advice, **we can offer you solutions to help you achieve all your plans and projects.**

OUR INVESTORS AND ADVISORY OFFERINGS

Invest on the financial markets while benefiting from the advice of our specialists, stay informed about changes and developments on the stock markets, manage your investments online...you will enjoy all these benefits with our Advisory and Investors offerings.

If you wish to manage your portfolio completely independently, **the Investors offering** is perfect for you. With a wide range of information (prices, performances, analyses, etc.) available on the website **bnpparibas-personalinvestors.lu**, provided by our team of investment specialists, you can place your orders either online, 24/7 or by phone. Of course, you can always ask one of our experts for advice or additional information.

If you wish to invest and also receive proactive, expert and personalised advice, you can opt for our **Advisory offering**.

Your personal financial advisor will offer you proactive advice on your investments, taking into account your objectives in terms of return, your investor profile and your investment strategy. They will work with you to define a schedule for keeping you up to date on all developments in your portfolio, in real time. **You can ask your advisor** - online or by phone - for clarification or an additional recommendation, at any time. **Your advisor will contact you whenever a new investment opportunity arises, to inform you of the opportunity and discuss it with you.** Your contact can be in the language of your choice: **Luxembourgish, French, German or English.** Our team of specialists can be contacted by phone and by e-mail, between 8.30am and 7.00pm.

Any investment requires you to establish an investor profile in advance. A MiFID questionnaire will determine your level of knowledge of the financial markets, your investment horizon and your financial situation; this will define your investor profile, which may be Low, Moderate, Advanced or High.

AN INVESTMENT FUND TO SAVE FOR YOUR RETIREMENT OR FUTURE PROJECTS

BNP Paribas has developed a range of investment funds that combine performance, security and flexibility. The offering has been expanded and the range increased in order to meet the expectations and needs of all investors. Having presented the SRI (socially responsible investment) funds and structured products in the previous Priority Newsletter, BGL BNP Paribas now invites you to find out about **a range of investment funds designed to help you save for your retirement or your future plans and projects: Plan Easy Future.**

The Luxembourg pension regime is a generous one, **but a number of different factors could change the situation.**

The increase in life expectancy means that today, a man will receive his pension for 23.4 years (2012 figure)* vs. 11.6 years in 1970*.

Ten years more for which we can, of course, be thankful - but we also need to finance these years. In 2010, the cost of pensions represented 9.2% of national GDP*. In 2060, it will have doubled, reaching 18.6%*.

These different indicators, to which we must also add the slowdown in the economy, confirm that as well as the statutory pension scheme and supplementary company schemes (1st and 2nd pillars), **it is important to make individual arrangements to save for retirement and, at the same time, continue with our plans and projects.**

* OECD Source

SPECIAL REPORT

Name of UCITS	Eligible for life insurance	Capitalisation or distribution	Asset class	Level of risk from 1 to 7 ¹	Currency	Investment objective	Net performances as at 31/12/2014 (in the reference currency of the share)				
							2014	2013	2012	2011	2010
Invest in the major financial centres accessing the equity markets of the world's principal economies											
BNP Paribas L1 Equity Europe LU0010012721	yes	C	Stocks	6	EUR	Increase the value of the portfolio by taking advantage of the dynamism of large-cap European companies	1.41%	17.61%	19.06%	-7.32%	11.23%
BNP Paribas L1 Equity USA Core LU0116160465	yes	C	Stocks	6	USD	Increase the value of the portfolio by taking advantage of the dynamism of large-cap US companies	8.20%	26.50%	14.46%	-2.06%	13.02%
LU0531774767 (Classic EUR share created on 06/07/2010)	yes	C	Stocks	6	EUR		23.21%	21.05%	12.74%	1.25%	-
BNP Paribas L1 Equity World Emerging LU0081706904	no	D	Stocks	7	USD	Diversify the portfolio by taking advantage of the dynamism of large-cap companies in the emerging markets	-4.41%	-3.98%	16.94%	-22.40%	12.74%
LU0907251655 (Classic Cap share created on 08/02/2013)	yes	C	Stocks	7	USD		-4.41%	-	-	-	-
BNP Paribas L1 Opportunities World² LU0982368481 (Classic Cap share created on 30/01/2014)	yes	C	Stocks	6	EUR	Increase the value of the portfolio via investment themes (such as consumption in Asia or cloud computing) to seize opportunities in the economy	20.90%	-	-	-	-
							Since 31/01/2014				
Responsible saving, favouring companies that encourage and promote sustainable development											
BNP Paribas L1 Equity World Aqua LU0831546592	yes	C	Stocks	5	EUR	Diversify the portfolio via international companies linked to the theme of water.	14.55%	21.39%	20.89%	-8.34%	21.59%
BNP Paribas L1 Sustainable Active Allocation LU0087047089	yes	C	Diversified	3	EUR	Increase the value of the portfolio in the medium term by investing directly and/or indirectly in debt securities denominated in euros and shares issued by issuers selected for their best practices in the area of sustainable development.	9.63%	2.27%	10.26%	-1.44%	2.40%
Increase wealth with diversified investments											
FundQuest International Patrimoine LU0407157030	yes	C	Diversified	3	EUR	Increase the value of the portfolio by selecting external funds managed according to a flexible, reactive style, adapting to the market environment.	3.34%	5.58%	3.33%	-4.92%	0.80%
BNP Paribas L1 Safe Balanced W1 LU0179773345	yes	D	Diversified	4	EUR	Increase the value of the portfolio with a diversified, flexible investment solution in which the proportion of international equities varies in line with market trends.	0.86%	-1.76%	8.79%	-7.78%	8.52%
LU0982369026 (Classic Cap share created on 30/09/2013)	yes	C	Diversified	4	EUR		0.86%	-	-	-	-

BUILD YOUR PORTFOLIO

Name of UCITS	Eligible for life insurance	Capitalisation or distribution	Asset class	Level of risk from 1 to 7 ¹	Currency	Investment objective	2014	
Save for retirement or future projects								
For an investment horizon of 2018								
BNP Paribas Plan Easy Future 2018 LU0930018691	no	C	Diversified	3	EUR	The BNP Paribas Plan Easy Future range has been designed to adapt to long-term savings objectives. It aims to achieve a good balance between the growth potential of the capital invested and formal, progressive protection, regardless of the remaining duration until maturity or of interest rates. The funds are open until maturity, which means that it is possible for investors to increase their savings by investing the amount of their choice as often as they wish. The funds are designed to take into account key dates in the investor's plans and projects. However, in the event of unforeseen need it is possible to recover all or part of the capital invested before maturity, at the net asset value (NAV) on the date in question. This NAV may be higher or lower than the protected value of the savings, so there is a risk of capital loss that cannot be known in advance.	4.22%	
For an investment horizon of 2021								
BNP Paribas Plan Easy Future 2021 LU0930018931	no	C	Diversified	3	EUR		10.91%	
For an investment horizon of 2023								
BNP Paribas Plan Easy Future 2023 LU0930019236	no	C	Diversified	3	EUR		16.20%	
For an investment horizon of 2026								
BNP Paribas Plan Easy Future 2026 LU0930019582	no	C	Diversified	3	EUR		23.83%	
For an investment horizon of 2028								
BNP Paribas Plan Easy Future 2028 LU0930019749	no	C	Diversified	3	EUR		28.70%	
For an investment horizon of 2023								
BNP Paribas Plan Easy Future 2033 LU0930020168	no	C	Diversified	3	EUR		38.66%	
For an investment horizon of 2038								
BNP Paribas Plan Easy Future 2038 LU0930020598	no	C	Diversified	3	EUR	48.22%		
For an investment horizon of 2043								
BNP Paribas Plan Easy Future 2043 LU0930020838	no	C	Diversified	3	EUR	57.76%		

SAVING FOR RETIREMENT OR FUTURE PLANS

Sources: BNP Paribas as of 31/12/2014. All of these funds are SICAVs (sociétés d'investissement à capital variable) under Luxembourg law in accordance with the European Directive 2009/65/CE. For all of the funds mentioned, the management company is BNP Paribas Luxembourg and entry fees are a maximum of 3.00% on the C share. There are no exit fees and ongoing fees vary from 1.12 to 3.12%. D shares reinvest the dividend distributed. These UCITS are exposed, notably, to the following risks: share risk, interest rate risk, loan risk, convertible bonds risk, emerging markets risk, commodities risk, property risk and exchange risk. The investor should note that the capital invested may not be returned in its entirety, the UCITS described in this document pose a risk of capital loss. Past performance is not an indicator of future performance and is not constant over time. Performance is calculated net of management fees and excluding any entry fee. For a more detailed definition and description of the risks, please see the prospectus and KIID for funds. Before subscribing, please see the prospectus and KIID for funds. Before subscribing, please see the prospectus and KIID for funds. These documents are available in French or at www.bnpl.lu

¹ SRI: Synthetic Risk and Reward Indicator. 1: Lowest risk. 7: Highest risk. The higher the risk, the longer the recommended investment horizon.

² For information, the net performances of the Paribas Opportunities World fund and BNP Paribas L1 Opportunities World master fund, are as follows: 2014: 17.57%, in 2013: 12.07%, in 2012: 9.26%, in 2011: -11.57%, in 2010: 17.31%.

Combine the long term with a sense of urgency

It is with this in mind that BNP Paribas has designed its Plan Easy Future fund Plan Easy Future is made up of eight funds, each with its own investment horizon. Currently, the fund with the next maturity date is the 2018, while that with the furthest maturity is the 2043. **Depending on your specific requirements, it is therefore possible to invest in the fund that is best suited to your pace of investment and your future money needs.** Long-term planning accompanied by maximum flexibility. **In particular, the funds allow investors to deal with unforeseen circumstances. The capital invested can be wholly or partially recovered at any time.** It is therefore valued at the net asset value (NAV) on the day in question.

Transparency: a minimum level of capital is guaranteed

This is how it works. The specific feature of the **Plan Easy Future** range is that it allows you to benefit from protection of your capital at maturity. In other words, this means that **when you invest in the fund, you know the minimum amount that you are guaranteed to receive when the fund matures.**

This guaranteed value at maturity protects you from market fluctuations and gives you transparency over the long term, allowing you at the same time to benefit from upturns in a bullish market.

Example: if you buy 100 shares with a protected value at maturity equivalent to EUR 120, you are guaranteed to receive a minimum capital sum of EUR 12,000 at maturity, whatever the NAV on the maturity date.

But if, on this date, the NAV is EUR 130, you will receive a capital sum of EUR 13,000. These two values, the NAV and protected value at maturity, change daily in line with market conditions.

What is reassuring for investors is that the protected value at maturity can only increase over time, or at worst, remain the same if market conditions decline every day until the fund matures.

Full transparency

As well as protecting you as an investor by guaranteeing you a minimum capital sum at maturity, the aim of the fund managers is to increase the value of the funds, of course. To generate performance, they invest in **different asset classes** (equities, bonds, alternative investments, etc.) and diverse geographical zones. **Security is ensured by investing in no-risky bonds**, which means that the protected value at maturity can be guaranteed.

Different documents and prospectuses are available to give you all the information you need about this innovative product. **You can also subscribe for the Easy Future funds via Easinvest, our planned savings solution, which protects you against market fluctuations and enables you to benefit from reduced entry fees.**

On the website easyfuture.bnpparibas-ip.fr, you also have access to a simulator that enables you to review and compare different investment scenarii, depending on your objectives.



Your advisor is at your disposal to give you all the information you need and help you find the "retirement or future projects" solution that is best suited to your situation.

WIN YOUR TICKETS FOR THE PRESTIGIOUS TEFAF IN MAASTRICHT !

15 TO 22 MARCH 2015

Are you a connoisseur or an amateur lover of antiques and the arts?

BGL BNP Paribas offers you the chance to win entry tickets to TEFAF, the prestigious art and antiques fair in Maastricht.

To stand a chance of winning, all you need to do is send your contact details (full name, address and telephone number) by e-mail, before 28 February 2015, to the following address: invitations@bgl.lu

Winners will be notified by their advisor, by 28 February at the latest. Rules and regulations are available on request from your advisor.





ROLAND GARROS VIP DAYS TESTIMONY FROM A CLIENT

"It was an exceptional day. I had the opportunity to watch Roger Federer play, a formidable competitor, as well as Tommy Haas in training. **For me, a passionate lover of the game of tennis, it will be a lasting memory. It was a unique experience.** I would recommend any of my friends and family who love tennis to grasp this opportunity if it ever comes up again", said one of our Priority clients who took part in one of the VIP Days that we organised at the Roland Garros tournament this year.

The programme **BNP PARIBAS PRIORITY** **also offers you the opportunity to experience some truly exceptional moments.**



My bank is always easy to reach

Our branches

in Luxembourg:

Royal Monterey

Bonnevoie

Cloche d'Or

Gare

Grand-Rue

Kirchberg Siège social

Kirchberg Europe

Limpertsberg

Merl-Belair

Merl-Jardins de Luxembourg

Bascharage Kordall

Bereldange

Bettembourg

Clervaux

Diekirch

Differdange

Dudelange

Echternach

Esch Belval

Esch Benelux

Esch Centre

Ettelbruck

Grevenmacher

Howald

Junglinster

Larochette

Mamer

Mersch

Mondorf-les-Bains

Niederanven

Redange-sur-Attert

Remich

Schifflange

Steinfort

Strassen

Tétange Kældall

Troisvierges

Vianden

Wasserbillig

Wiltz



**BGL
BNP PARIBAS**

| The bank for a changing world

BGL BNP PARIBAS S.A.

50, avenue J.F. Kennedy

L-2951 Luxembourg

Phone: (+352) 42 42-1

Fax: (+352) 42 42-25 79

R.C.S. Luxembourg: B 6481

www.bgl.lu