

## **BGL BNP Paribas: Financial statements at 31 December 2020**

**A year marked by the health crisis, support for the Luxembourg economy, measures to help clients and highly resilient activity**

The key event in 2020 was the unprecedented global health emergency. From the moment the crisis took hold, the bank took measures to protect its staff and clients, while ensuring business continuity and the proper functioning of the bank. The measures were continuously reviewed as the health crisis unfolded and the bank encouraged clients to use remote banking services for their day-to-day operations. Thanks to its omni-channel model, the bank was able to ensure service continuity for its clients during lockdown periods when branch access was limited, thus providing alternative channels for interactions with the bank, such as Web Banking, the mobile app and telephone banking. Client Service was expanded to meet clients' increased demand for support through this channel. The teams pulled out all the stops to make sure they could be there for their clients and support them through this period of change.

Throughout the year, the bank stood alongside its clients and worked with them to offer responsiveness and pragmatism when assessing issues and finding appropriate solutions. Advisors showed great dedication to supporting clients, providing explanations and telling them about the various types of assistance available. BGL BNP Paribas thus actively played a part, alongside the Luxembourg government, in establishing moratoria and government-backed loans. At 31 December 2020, the bank had granted a total of 5,322 moratoria for operations in Luxembourg in order to help its clients with looming cashflow issues. It had also granted around one hundred government-backed loans.

From the outbreak of the health crisis, the bank introduced a number of community support initiatives. It provided 5,000 FFP2 masks and 30,000 surgical masks to the Ministry of Health and offered support to its neighbours, the Hôpitaux Robert Schuman, through a variety of means. As part of the BNP Paribas Group's emergency support plan rolled out to the 30-plus countries in which it is located, a total donation of EUR 100,000 was made to the Hôpitaux Robert Schuman Foundation, Caritas Luxembourg and *Stëmm vun der Strooss* to support hospital staff and vulnerable communities. The bank also matched every employee donation to healthcare charities and organisations assisting vulnerable people and contributing to medical research in the Greater Region; EUR 45,000 was thus donated to a range of organisations. In the summer of 2020, it led the *Solidarité Coronavirus* initiative: every time a payment was made using a BGL BNP Paribas credit card, the bank contributed 10 cents to a fund. The funds raised meant a EUR 30,000 donation could be made to Caritas Luxembourg for its Corona-Helpline and to contribute towards the housing costs of around 100 clients facing financial difficulties as a result of the health crisis. More recently, following a joint initiative between BNP Paribas Asset Management and BGL BNP Paribas, a cheque for EUR 8,000 was awarded to *Stëmm vun der Strooss* to help finance a social and professional reintegration programme.

Heavily integrated in the real economy, with BGL BNP Paribas Development, BGL BNP Paribas is launching a new activity that will allow it to help Luxembourg businesses by acquiring minority interests. Through direct investment in unlisted commercial, industrial or technological companies based in Luxembourg with turnover exceeding EUR 10 million, a profitable business and promising growth prospects, the bank intends to play a role in their organic and external growth plans, and to support them in business transfers.

In November 2020, BGL BNP Paribas became a strategic partner of i-Hub. The bank's partnership with i-Hub will enable it to offer its clients an innovative digital management and storage system for the data and ID documents they are required to provide in the context of their relationships with players in the finance sector. The proposed solution will ultimately provide every client with free access to a Centralised KYC Repository.

## Financial statements at 31 December 2020

On 1 April 2021, the Ordinary General Meeting of Shareholders, chaired by Etienne Reuter, approved the consolidated financial statements of BGL BNP Paribas under IFRS at 31 December 2020.

At EUR 1,595.5 million, **net banking income** increased 5% on 2019 (EUR 1,515.1 million). This increase is due in particular to a sustained dynamic commercial environment in the various business areas, the great efforts of the bank's client service teams in the face of the health emergency and lockdown, and a capital gain related to the sale of investment property. Excluding this capital gain from the property sale, net banking income was up 2.6%.

**Retail and Corporate Banking** recorded 8% growth in average loan outstandings, boosted by an increase in mortgages and capital investment loans. Average deposit volumes grew by 2%, with deposits from Retail Banking clients increasing in particular.

**Wealth Management** AUM rose by 2% because of excellent net inflows. Wealth Management's average loan outstandings grew by 12%.

**Leasing International's** business operations, for which new production took a sharp hit in the first half-year, benefited from a sharp upturn from June onwards, thus containing the drop in average loan outstandings to 3%. Leasing International continued to develop new types of services to support clients during this time.

**Operating costs** were well under control. They amounted to EUR 784.2 million, down 1% on 2019 (EUR 792.4 million).

**Gross operating income**, at EUR 811.3 million, was up 12% on 2019 (EUR 722.7 million).

**Cost of risk** amounted to EUR 129.7 million versus EUR 101.3 million in 2019. The collective provisions include an estimation of the expected losses on not impaired loans, assessed in light of the potential impact of the health crisis.

The **share of the net profits of equity affiliates** (i.e. the share of net profits of subsidiaries in which the bank does not have a majority shareholding), stood at EUR 11.9 million, compared with EUR 14.4 million in 2019.

Group consolidated **net profit** thus came to EUR 398.3 million, up 15% compared with 2019 (EUR 345.0 million). Excluding capital gains from property sales, net profit rose by 7%.

The **balance sheet total** was EUR 56.5 billion at 31 December 2020. It was stable relative to 31 December 2019 (EUR 56.6 billion).

## High solvency maintained

The solvency ratio was 23.5% (under Basel III rules), which was well above the regulatory minimum. With the Group's share of regulatory capital amounting to EUR 6.3 billion, BGL BNP Paribas is well placed to back its clients' projects and investments.

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Béatrice Belorgey, Chair of the Executive Committee of BGL BNP Paribas and Country Head of the BNP Paribas Group in Luxembourg, said: "2020 was a challenging and difficult year in many respects. Our staff and clients have all done an outstanding job of adjusting to this new normal, and the bank's results attest to the resilience of our operations. We are doing everything in our power to continue to help our clients through appropriate solutions, to support the Luxembourg economy and to contribute to a sustainable recovery."

*BGL BNP Paribas' annual report for the year to 31 December 2020 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 Luxembourg and part of the BNP Paribas Group. It offers an especially wide range of financial products and bancassurance solutions to individuals, professionals, businesses and private banking clients. At end 2020, BGL BNP Paribas employed 2,252 people in Luxembourg. In 2020, BGL BNP Paribas was named "Best Bank in Luxembourg" by Euromoney for the fifth year in a row.

### About BNP Paribas

BNP Paribas is a leading bank in Europe with an international reach. It has a presence in 71 countries, with approximately 199,000 employees, of which more than 151,000 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 European 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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