



**FIRST SUPPLEMENT DATED 4 SEPTEMBER, 2017  
TO THE BASE PROSPECTUS DATED 19 MAY 2017.**

**BANQUE INTERNATIONALE A LUXEMBOURG, SOCIETE ANONYME**

*(Incorporated with limited liability in Luxembourg)*

**EUR10,000,000,000**

**Programme for the issue of Euro Medium Term Notes and Warrants**

This supplement (**the “First Supplement”**) is supplemental to, and should be read in conjunction with, the Base Prospectus dated 19 May 2017 (**the “Base Prospectus”**), prepared in relation to the €10,000,000,000 Euro Medium Term Note program of Banque Internationale à Luxembourg, société anonyme. On 19 May, 2017, the Commission de Surveillance du Secteur Financier (the “CSSF”) approved the Base Prospectus as a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC as amended by Directive 2010/73/EC (together the “Prospectus Directive”) and Article 8.4 of the Luxembourg Law on prospectuses for securities dated 10 July 2005 as amended on 3 July 2012 (the “Luxembourg Law”).

This First Supplement constitutes a supplement to the Base Prospectus for the purposes of Article 16 of the Prospectus Directive and Article 13 of the Luxembourg Law.

The Issuer accepts responsibility for the information contained in this First Supplement. The Issuer declares that, having taken all reasonable care to ensure that such is the case, the information contained in this First Supplement is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information.

Unless the context otherwise requires, terms defined in the Base Prospectus shall have the same meaning when used in this First Supplement.

To the extent that there is any inconsistency between (a) any statement in this First Supplement or any statement incorporated by reference into the Base Prospectus by this First Supplement and (b) any other statement in or incorporated by reference into the Base Prospectus, the statements in (a) above will prevail.

Save as disclosed in this First Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus since the publication of the Base Prospectus.

This First Supplement is available on the Luxembourg Stock Exchange’s website: “[www.bourse.lu](http://www.bourse.lu)”.

In accordance with Article 13 paragraph 2 of the Luxembourg Law, investors who have before the publication of this First Supplement already agreed to purchase or subscribe Notes which are not yet settled at the date

of such publication, have the right, exercisable within a time limit of 2 working days after such publication i.e. 6 September, 2017, to withdraw their acceptance.

This First Supplement provides updated information about the Issuer (Press release).

## **LEGEND HOLDINGS TO ACQUIRE PRECISION CAPITAL'S STAKE IN BANQUE INTERNATIONALE À LUXEMBOURG**

- *Long-term strategic investment by Legend Holdings to grow BIL franchise in Luxembourg, Europe and internationally*
- *Hong Kong-listed diversified investment group commits to preserving and investing in the BIL brand, its employees and customer offering*
- *Grand Duchy of Luxembourg to retain its 9.993% shareholding in BIL*
- *BIL governance and management to remain unchanged; Luc Frieden to remain Chairman and Hugues Delcourt as CEO*
- *Under Precision Capital's stewardship, BIL has returned to national champion status and is in robust financial health, providing strong contribution to Luxembourg economy*

**Luxembourg and Hong Kong, 1 September 2017** - Legend Holdings Corp., a Hong Kong-listed diversified investment group, announced today the signing of an agreement with Precision Capital, a Luxembourg-based financial holding company, for the acquisition of Precision Capital's 89.936% stake in Banque Internationale à Luxembourg (BIL), a leading universal banking group headquartered in Luxembourg.

The proposed transaction remains subject to ECB/CSSF approval and that of other regulatory authorities. It also remains subject to Legend Holdings shareholder approval. The Grand Duchy of Luxembourg will retain its 9.993% ownership of BIL.

Legend Holdings, founded in 1984, is a leading diversified investment group. Its strategic investments focus on several major sectors including financial services, innovative consumer services, agriculture and food, and IT. As at 31 December 2016, the company had assets of €43.92 billion, annual revenues in excess of €40 billion and close to 70,000 employees worldwide. Lenovo Group, one of its portfolio companies, was founded by Legend Holdings in 1984 and is now one of the world's leading vendors of personal computers. Lenovo successfully acquired IBM's global PC business in 2004, subsequently investing and growing the brand into a global leader.

The acquisition of 89.936% of BIL represents a long-term strategic investment for Legend Holdings. The company is committed to providing the financial and operational support to maintain and grow the BIL brand domestically and internationally, further enhance its customer offering and support existing management in the delivery of its strategy to achieve sustainable growth.

As part of the proposed transaction, Legend Holdings will:

- Maintain and invest further in the development of the BIL brand, in Luxembourg, Europe and internationally
- Invest in BIL's people, support employment and provide international career opportunities
- Retain the current governance and management of the bank: Luc Frieden will remain BIL Chairman, while Hugues Delcourt will remain CEO

Precision Capital, along with the Grand Duchy of Luxembourg, acquired BIL in 2012 at a time when the previous shareholder faced significant financial stress. Precision Capital and BIL have since overseen a turnaround of the bank following an in-depth strategic review, having made significant investments in the bank and its brand.

Since 2012, the management team has grown operating revenue by 20% to €505 million in 2016, while operating profit has risen 57% to €124 million. Over the same period, total assets have increased to €23 billion, total loans to customers are up by 27% to €12.2 billion and assets under management have grown by 30% to €37.7 billion. The bank's capital strength has been bolstered over this time, reaching a Common Equity Tier-1 ratio of 13.4% at end 2016 – up from 10% in 2012.

**Commenting on the announcement, Liu Chuanzhi, Founder and Chairman of Legend Holdings, said:** "This is an important and exciting strategic investment for Legend. Financial services is one of Legend Holdings' key target industries. BIL's asset scale, revenue and profit growth potential, and its business stability meet Legend's pillar assets criteria. It affirms Legend's target of investing in pillar assets.

"Legend Holdings has accumulated extensive experience in the financial services industry, and has achieved a solid performance in the sector over the past years. BIL is a well-run and respected universal banking group with strong roots in Luxembourg's history. We aim to preserve and enhance this status, supporting the bank and its existing management team in growing BIL from a national champion to a Luxembourg-based, international banking brand. We believe that as a long-term strategic shareholder, Legend can add value to the international business development opportunities and application of financial technology of the bank, and realize our mission of building great companies.

"We would like to thank Precision Capital, the Luxembourg State and the BIL management team for their support. We look forward to working closely with Luxembourg State and the bank in the years ahead."

**Luc Frieden, Chairman of BIL, said:** "Thanks to strategic measures taken since 2012 – with the support of Precision Capital, the Luxembourg State, our employees and our clients – BIL has successfully regained its status as a leading Luxembourg financial institution.

"We welcome our new shareholder, who has a proven track record of successful investment in a range of companies and have demonstrated great sensitivity to what makes BIL unique. We look forward to working with the Legend Holdings team to build on BIL's tradition of excellence that dates back to 1856 as a strong, stable and innovative Luxembourg universal bank. While clients and staff will experience full continuity, we will also have an opportunity to further strengthen BIL's exceptional place in the Luxembourg economy, while enhancing its European and international ambitions.

I am proud to chair this great Luxembourg bank as we prepare to write the next chapter in BIL's success story," Frieden added.

**George Nasra, CEO of Precision Capital, said:** "BIL has made tremendous progress in the past five years. The business is in great shape and boasts an exceptionally strong brand, supported by an experienced management team and over 2,000 committed employees in Luxembourg and abroad. Legend Holdings is the right partner for BIL as it moves into its next phase of its sustained growth and expansion."

Nasra noted that Precision Capital's only other investment – its 99.9% ownership of KBL European Private Bankers (KBL *epb*), a pan-European private banking group headquartered in Luxembourg – will not be impacted by the agreement with Legend Holdings. "We remain committed to supporting the long-term stability and growth of KBL *epb*," Nasra concluded.

The proposed transaction is expected to close in the first quarter of 2018, subject to approval from the European Central Bank, the Commission de Surveillance du Secteur Financier and other relevant regulatory authorities. The acquisition entity is Beyond Leap Limited, a wholly owned subsidiary of Legend Holdings incorporated in Hong Kong.