



## **SECOND SUPPLEMENT DATED 06 May 2024 TO THE BASE PROSPECTUS DATED 4 JULY 2023**

### **BANQUE INTERNATIONALE A LUXEMBOURG, SOCIETE ANONYME**

*(Incorporated with limited liability in Luxembourg)*

#### **Programme for the issue of Structured Notes, Certificates and Warrants**

This supplement (**the “Second Supplement”**) is supplemental to, and should be read in conjunction with, the Base Prospectus dated 4 July 2023 (**the “Base Prospectus”**) and the First Supplement dated 6 September 2023 prepared in relation to the Programme for the issue of Structured Notes, Certificates and Warrants of Banque Internationale à Luxembourg, société anonyme. On 4 July 2023, the Commission de Surveillance du Secteur Financier (the “CSSF”) approved the Base Prospectus as a base prospectus as competent authority under Regulation (EU) 2017/1129 (the “Prospectus Regulation”).

The Base Prospectus has also been approved by the Luxembourg Stock Exchange pursuant to Part IV of the Luxembourg act dated 16 July 2019 on prospectuses for securities (the “**Prospectus Act 2019**”) in respect to the securities to be listed on the Euro MTF Market.

This Second Supplement constitutes a supplement to the Base Prospectus for the purposes of Article 23 (1) of the Prospectus Regulation.

The Issuer accepts responsibility for the information contained in this Second Supplement. The Issuer declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Second 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 Second Supplement.

To the extent that there is any inconsistency between (a) any statement in this Second 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 Second Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus and the First Supplement dated 6 September 2023 since the publication of the Base Prospectus.

This Second Supplement as well as the documents incorporated by reference are available on the Luxembourg Stock Exchange’s website: “[www.luxse.com](http://www.luxse.com)”.

In accordance with Article 23 (2) of Regulation (EU) 2017/1129 paragraph 2 of the Prospectus Regulation, investors who had already agreed to purchase or subscribe for the securities before the supplement was published and where the securities had not yet been delivered to the investors at the time when the significant new factor, material mistake or material inaccuracy arose or was noted, have the right, exercisable within two working days after the publication of this Supplement, to withdraw their acceptances. The final date of the right of withdrawal will be the **08 May 2024**. Investors should contact their relationship manager for the exercise of the right of withdrawal.

This Second Supplement provides updated information about the Issuer.

## **Press release dated 24 April 2024**

### **“Start of the press release”**

#### **2023, a year of transition and transformation**

During the General Assembly held on April 24 2024, shareholders approved Banque Internationale à Luxembourg (BIL) 2023 financial results. The Bank records a robust performance in a year of internal transformation and external challenges. Thanks to solid revenue growth, resilient commercial activities coupled with sound management of its costs and risks throughout 2023, the Bank reported a 202 million euros net income after tax.

#### **Staying resilient in a challenging macroeconomic context**

2023 was a complex year, be it for its geopolitical challenges, macroeconomic events or for BIL specific development. After the robust post-pandemic expansion in 2021 and 2022, the economy lost momentum in 2023. Europe faced multiple macroeconomic challenges, induced by on-going conflict in Eastern Europe and in the Middle East. The rate hike campaigns launched in 2022 by monetary authorities to curb inflation reached a peak during the second half of 2023. In the eurozone, higher interest rates had the effect of reducing the financing capacity of households and businesses, thus contributing to the slowdown of economic activity. In Luxembourg, construction has been affected by the current downturn in the real estate sector and as a consequence, slowed down lending activity. In such a challenging environment, the Bank is committed to support its clients and to offer adapted solutions to their projects and situation.

#### **Implementation of a new core banking system to enhance services**

In this ever-changing business environment, BIL has risen to these external challenges by staying on track of its transformation and, embracing emerging trends, new technologies and evolving market dynamics to build long-term sustainable growth. In 2023, BIL successfully completed the changeover of its Core Banking System, a project of unprecedented scale, while continuing to cater to clients' needs. BIL has now a strong foundation to develop new services and to improve client experience for the years to come.

#### **Sound performance of commercial activities**

BIL Group reported a net income after tax of 202 million euros, driven by solid revenue growth, partly offset by an increase in expenses and cost of risk. This good financial performance can be attributed to the Bank's business resilience and a solid risk management culture. Customer deposits, standing at 18.5 billion euros decreased mainly due to clients moving their deposits to higher return investments and proceeding to the early repayment of their variable rate loans in the context of higher interest rates. Customer loans, at 16.3 billion euros are stable compared to last year, due to the combined effect of a significant slowdown in mortgage loan production in Luxembourg and early mortgage loan repayments which continued throughout the second half of 2023. In the past year, domestic market housing demand has been hard hit by rapidly rising interest rates, coupled with a sharp reduction in construction activity caused by the downturn in the real estate sector and rising raw material costs. Assets under Management amounted to EUR 43.8 billion compared with EUR 43.5

billion at year-end 2022, up by +0.7%. At the end of 2023, BIL showcased sound asset quality and strong capital and liquidity indicators. Its CET- 1 ratio stood at 14.41% after profit allocation compared with 14.03% in 2022, and its Liquidity Coverage Ratio also improved compared to 2022, at 174% versus 153%.

### **2024, ready for the future**

As the global economy is changing rapidly, in 2024, BIL's primary focus will be on its clients: fostering robust relationships, reaching a higher level of quality of service and constantly adapting the value proposition to their needs.

The Bank will remain focused on the implementation of the key initiatives of its 2020-2025 strategic plan, whose purpose is to be fit for the future:

By continuing to enhance its diversified business model .

By leveraging its new Core Banking System to drive future growth. This solid foundation will allow the Bank to develop new and improved services, combining the best of digital and physical.

By strengthening and simplifying its operations. Thanks to its new target operating model, BIL will create a robust and dynamic bank ready to face the future with confidence.

Marcel Leyers, CEO of BIL, commented: " Our 2023 performance confirms the relevance of our strategic choices and of our comprehensive and loyal response to the needs of all our clients, be they individuals, entrepreneurs, and businesses. In 2024 and for the years to come, BIL will continue to be the reliable partner it has always been."

**“End of the press release”**

## Documents incorporated by reference

### Cross-reference list

This section supplements page 73 of the Base prospectus (section: "Documents incorporated by reference") The audited annual report of the Issuer for the year 2023 which has previously been published shall be incorporated by reference in, and form part of, this Second Supplement.

The 2023 annual report is available on <https://www.bil.com/Documents/brochures/annual-report-2023-en.pdf>

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The information incorporated by reference that is not included in the cross-reference list, is either not relevant for investors or covered elsewhere in the Base Prospectus, as supplemented.

## Selected historical key financial information

This section supplements pages 515 to 517 of the Base Prospectus (section "Financial Information").

### Consolidated Statement of Income

The table below sets out summary information extracted from the Issuer's audited consolidated statement of income for the years ended 31 December 2022 and 31 December 2023:

(in EUR)	31/12/22	31/12/23
<b>REVENUES</b>	<b>644,683,037</b>	<b>761,981,764</b>
<b>EXPENSES</b>	<b>(459,805,495)</b>	<b>(505,308,907)</b>
<b>GROSS OPERATING INCOME</b>	<b>184,877,542</b>	<b>256,672,857</b>
Impairments	(18,714,206)	(26,240,305)
Provisions for legal litigations	(774,014)	(38,779)
<b>OPERATING INCOME</b>	<b>165,389,322</b>	<b>230,393,773</b>
<b>NET INCOME BEFORE TAX</b>	<b>165,389,322</b>	<b>230,393,773</b>
Tax expenses	(12,456,961)	(28,625,822)
<b>NET INCOME OF CONTINUING OPERATIONS</b>	<b>152,932,361</b>	<b>201,767,951</b>
<b>NET INCOME</b>	<b>152,932,361</b>	<b>201,767,951</b>
Net income - Group share	152,932,361	201,767,951

### Consolidated Balance Sheet:

The table below sets out summary information extracted from the Issuer's audited consolidated balance sheet as of 31 December 2022 and 31 December 2023:

<b>ASSETS</b>	31/12/22	31/12/23
(in EUR)		
Cash, balances with central banks and demand deposits	4,373,270,737	2,981,518,726
Financial assets held for trading	15,786,368	19,345,375
Financial investments measured at fair value	952,672,603	581,678,327
<i>Financial investments at fair value through other comprehensive income</i>	924,933,017	550,895,485
<i>Non-trading financial investments mandatorily at fair value through profit or loss</i>	27,739,586	30,782,842
Loans and advances to credit institutions	1,098,751,999	674,274,516
Loans and advances to customers	16,482,938,323	16,328,530,371
Financial investments measured at amortised cost	7,883,172,234	8,629,112,546
Derivatives	840,231,612	547,153,628
Fair value revaluation of portfolios hedged against interest rate risk	11,872	0
Investment property	59,748,312	39,815,961
Property, plant and equipment	116,724,076	108,214,376
Intangible fixed assets and goodwill	357,525,588	398,800,773
Current tax assets	1,295,968	953,109
Deferred tax assets	151,927,538	128,102,833

Other assets	78,253,205	97,756,938
<b>TOTAL ASSETS</b>	<b>32,412,310,435</b>	<b>30,535,257,479</b>

<b>LIABILITIES</b>	<b>31/12/22</b>	<b>31/12/23</b>
(in EUR)		
Amounts due to credit institutions	3,397,961,782	3,720,728,528
Amounts due to customers	21,040,952,316	18,455,039,645
Other financial liabilities	30,997,505	25,908,177
Financial liabilities measured at fair value through profit or loss	2,014,665,341	2,836,485,340
<i>Liabilities designated at fair value</i>	2,014,665,341	2,836,485,340
Derivatives	418,687,606	316,493,915
Debt securities	2,654,048,520	2,034,068,527
Subordinated debts	243,236,959	345,756,383
Provisions and other obligations	49,391,972	54,265,447
Current tax liabilities	1,129,834	1,063,915
Deferred tax liabilities	10,091,719	11,214,380
Other liabilities	273,283,273	320,867,001
<b>TOTAL LIABILITIES</b>	<b>30,134,446,827</b>	<b>28,121,891,258</b>

<b>SHAREHOLDERS' EQUITY</b>	<b>31/12/22</b>	<b>31/12/23</b>
(in EUR)		
Subscribed capital	146,108,270	146,108,270
Share premium	760,527,961	760,527,961
Other equity instruments	174,315,856	174,550,419
Reserves and retained earnings	817,236,900	901,002,600
Net income	152,932,361	201,767,951
<b>SHAREHOLDERS' EQUITY</b>	<b>2,051,121,348</b>	<b>2,183,957,201</b>
Gains and losses not recognised in the consolidated statement of income	226,742,260	229,409,020
<i>Financial instruments at fair value through other comprehensive income</i>	238,292,334	246,006,027
<i>Other reserves</i>	(11,550,074)	(16,597,007)
<b>GROUP EQUITY</b>	<b>2,277,863,608</b>	<b>2,413,366,221</b>
Non-controlling interests	0	0
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>2,277,863,608</b>	<b>2,413,366,221</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>32,412,310,435</b>	<b>30,535,257,479</b>

**The “GENERAL INFORMATION” section 2 on page 812 of the Base Prospectus is hereby deleted and replaced with the following:**

There has been no significant change in the financial or trading position or financial performance of the BIL Group since 31 December 2023 and there has been no material adverse change in the prospects of the Issuer or the BIL Group since 31 December 2023.