

Pillar 3 Quarterly Report Q3/2025



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List of acronyms

A-IRB	Advanced Internal Rating-Based
CCP	Central Counterparty
CCR	Counterparty Credit Risk
CET1	Common Equity Tier One
CRR	Capital Requirements Regulation
CVA	Credit Valuation Adjustment
EAD	Exposure At Default
HLBA	Historical Look-Back Approach
HQLA	High Quality Liquid Asset
IAA	Internal Assessment Approach
IMA	Internal Model Approach
IMM	Internal Model Method
IRB	Internal Rating-Based
LCR	Liquidity Coverage Ratio
LR	Leverage Ratio
NSFR	Net Stable Funding Ratio
RWA	Risk-Weighted Assets
RWEA	Risk-Weighted Exposure Amount
SREP	Supervisory Review and Evaluation Process
TREA	Total Risk Exposure Amount

Regulatory templates

Reference	Name	Regulation (EU) No 575/2013 (CRR)	Section of the report
EU KM1	Key metrics template	Article 447, points (a) to (g) Article 438, point (b)	Section 1
EU OV1	Overview of total risk exposure amounts	Article 438, point (d)	Section 2
EU CMS1	Comparison of modelled and standardised risk weighted exposure amounts at risk level	Article 438, points (d) and (da)	Section 2
EU CMS2	Comparison of modelled and standardised risk weighted exposure amounts for credit risk at asset class level	Article 438, points (d) and (da)	Section 2
EU LIQ1	Quantitative information of LCR	Article 451a (2)	Section 3
EU CR8	RWEA flow statements of credit risk exposures under the IRB approach	Article 438, point (h)	Section 4

Introduction

This document provides information related to the risk profile at Banque Internationale à Luxembourg (BIL Group), referred to hereunder as “BIL” or “the Bank”, as of 30 September 2025, according to part Eight of Regulation (EU) 575/2013 (Capital Requirement Regulation, CRR).

This BIL Group Quarterly Pillar 3 report is divided into four sections:

- Key prudential metrics;
- Own funds and capital adequacy;
- Liquidity risk management;
- Credit risk management and a breakdown of the Bank's credit risk exposures.

Unless otherwise stated, the figures shown in this Report are reported in millions of euros.

Data is provided at a consolidated level, including BIL Group subsidiaries and branches.

All financial and risk reports are available on the Bank's website:

<https://www.bil.com/fr/groupe-bil/documentation/Pages/donnees-financieres.aspx>



1. Key prudential metrics

The table below provides a comprehensive view of quarterly key prudential metrics covering the Bank's available capital (including buffer requirements and ratios), its Risk-Weighted Assets (RWA), Leverage Ratio (LR), Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR).

Template EU KM1 – Key metrics template

		a	b	c	d	e
		30/09/2025	30/06/2025	31/03/2025	31/12/2024	30/09/2024
Available own funds (amounts)						
1	Common Equity Tier 1 (CET1) capital	1,616.79	1,523.22	1,554.64	1,561.76	1,465.03
2	Tier 1 capital	1,916.79	1,823.22	1,854.64	1,736.76	1,640.03
3	TOTAL CAPITAL	2,198.01	2,112.16	2,159.10	2,049.30	1,952.43
Risk-weighted exposure amounts						
4	TOTAL RISK EXPOSURE AMOUNT	11,532.79	10,986.94	10,911.50	10,970.04	11,688.58
4A	TOTAL RISK EXPOSURE PRE-FLOOR	11,532.79	10,986.94	10,911.50	-	-
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common Equity Tier 1 ratio (%)	14.02%	13.86%	14.25%	14.24%	12.53%
5a	Not applicable					
5b	Common Equity Tier 1 ratio considering unfloored TREA (%)	14.02%	13.86%	14.25%	N/A	N/A
6	Tier 1 ratio (%)	16.62%	16.59%	17.00%	15.83%	14.03%
6a	Not applicable					
6b	Tier 1 ratio considering unfloored TREA (%)	16.62%	16.59%	17.00%	N/A	N/A
7	TOTAL CAPITAL RATIO (%)	19.06%	19.22%	19.79%	18.68%	16.70%
7a	Not applicable					
7b	Total capital ratio considering unfloored TREA (%)	19.06%	19.22%	19.79%	N/A	N/A
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)						
EU 7d	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	2.90%	2.90%	2.90%	2.50%	2.50%
EU 7e	of which: to be made up of CET1 capital (percentage points)	1.63%	1.63%	1.63%	1.41%	1.41%
EU 7f	of which: to be made up of Tier 1 capital (percentage points)	2.18%	2.18%	2.18%	1.88%	1.88%
EU 7g	Total SREP own funds requirements (%)	10.90%	10.90%	10.90%	10.50%	10.50%
Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)						
8	Capital conservation buffer (%)	2.50%	2.50%	2.50%	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0.00%	0.00%	0.00%	0.00%	0.00%
9	Institution specific countercyclical capital buffer (%)	0.60%	0.55%	0.55%	0.59%	0.58%
EU 9a	Systemic risk buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%
10	Global Systemically Important Institution buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 10a	Other Systemically Important Institution buffer (%)	0.50%	0.50%	0.50%	0.50%	0.50%
11	Combined buffer requirement (%)	3.60%	3.55%	3.55%	3.59%	3.58%
EU 11a	Overall capital requirements (%)	14.50%	14.45%	14.45%	14.09%	14.08%
12	CET1 available after meeting the total SREP own funds requirements (%)	7.89%	7.73%	8.12%	7.96%	6.16%

		a	b	c	d	e
		30/09/2025	30/06/2025	31/03/2025	31/12/2024	30/09/2024
Leverage ratio						
13	TOTAL EXPOSURE MEASURE	32,034.63	31,763.29	31,603.99	32,118.03	33,573.80
14	Leverage ratio (%)	5.98%	5.74%	5.87%	5.41%	4.88%
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)						
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	0.00%	0.00%	0,00%	0.00%	0.00%
EU 14b	of which: to be made up of CET1 capital (percentage points)	0.00%	0.00%	0,00%	0.00%	0.00%
EU 14C	TOTAL SREP LEVERAGE RATIO REQUIREMENTS (%)	3.00%	3.00%	3.00%	3.00%	3.00%
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)						
EU 14d	Leverage ratio buffer requirement (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 14e	Overall leverage ratio requirement (%)	3.00%	3.00%	3.00%	3.00%	3.00%
Liquidity Coverage Ratio						
15	TOTAL HIGH-QUALITY LIQUID ASSETS (HQLA) (WEIGHTED VALUE –AVERAGE)	10,622.58	10,973.75	11,142.86	11,008.10	10,917.74
EU 15a	Cash outflows – Total weighted value	6,788.98	6,793.40	6,733.75	6,666.14	6,727,04
EU 15b	Cash inflows – Total weighted value	897.86	877.88	829.88	764.47	716,53
16	Total net cash outflows (adjusted value)	5,891.12	5,915.53	5,903.87	5,901.66	6,010.51
17	Liquidity coverage ratio (%)	180.82%	185.99%	189.28%	186.86%	181.97%
Net Stable Funding Ratio						
18	Total available stable funding	17,825.44	17,877.99	18,257.04	18,825.64	18,461.64
19	Total required stable funding	14,089.20	13,874.40	13,678.29	13,947,46	14,502.03
20	NSFR ratio (%)	126.52%	128.86%	133.47%	134.98%	127.30%

2. Own funds and capital adequacy

The aim of capital management is to ensure that BIL achieves its solvency and long-term profitability targets, while complying with regulatory capital requirements. The Bank's ratios exceed the regulatory requirements and reflect a sound solvency situation.

The ratios (Common Equity Tier 1 capital ratio, Tier 1 capital ratio and Total capital ratio) compare the amount of eligible regulatory capital in each category with BIL Group's total weighted risks.

At the end of Q3-2025, the Bank's CET1 ratio stood at 14.02%, with the total capital ratio at 19.06%, as detailed in the previous section (Table KM1). The Bank's CET1 ratio was slightly higher compared to Q2-2025 (13.86%):

- The CET1 Capital (numerator) increased by EUR 93.6 million, largely explained by the decrease in the IRB shortfall due to the reversion to the Standardised Approach for exposures to Large Corporates, Mid-Corporates and Specialised Lending; and
- The RWA (denominator) grew by EUR 545.85 million driven by the rise in credit risk RWA by EUR 531.7 million brought about mainly by the forementioned reversion.

The following tables present the RWA, and regulatory capital requirements broken down by risk type and model approach.

Table EU OV1 – Overview of total risk exposure amounts

		Total risk exposure amounts (TREA)		Total own funds requirements
		a	b	c
		30/09/2025	30/06/2025	30/09/2025
1	Credit risk (excluding CCR)	10,141.25	9,636.39	811.30
2	Of which the standardised approach	8,348.20	3,251.91	667.86
3	Of which the Foundation IRB (F-IRB) approach	0.00	990.08	0.00
4	Of which slotting approach	0.00	1,556.41	0.00
EU 4a	Of which equities under the simple risk weighted approach	0.00	0.00	0.00
5	Of which the Advanced IRB (A-IRB) approach	1,793.05	3,837.98	143.44
6	Counterparty credit risk - CCR	136.40	109.98	10.91
7	Of which the standardised approach	104.34	75.37	8.35
8	Of which internal model method (IMM)	0.00	0.00	0.00
EU 8a	Of which exposures to a CCP	7.94	5.73	0.64
9	Of which other CCR	24.12	28.89	1.93
10	Credit valuation adjustments risk - CVA risk	29.97	16.00	2.40
EU 10a	Of which the standardised approach (SA)	-	-	-
EU 10b	Of which the basic approach (F-BA and R-BA)	29.97	16.00	2.40
EU 10c	Of which the simplified approach	-	-	-
11	Not applicable			
12	Not applicable			
13	Not applicable			
14	Not applicable			



		Total risk exposure amounts (TREA)		Total own funds requirements
		a	b	c
		30/09/2025	30/06/2025	30/09/2025
15	Settlement risk	0.00	0.00	0.00
16	Securitisation exposures in the non-trading book (after the cap)	74.98	74.55	6.00
17	Of which SEC-IRBA approach	0.00	0.00	0.00
18	Of which SEC-ERBA (including IAA)	74.98	74.55	6.00
19	Of which SEC-SA approach	0.00	0.00	0.00
EU 19a	Of which 1250% / deduction	0.00	0.00	0.00
20	Position, foreign exchange and commodities risks (Market risk)	1.98	1.81	0.16
21	Of which the Alternative standardised approach (A-SA)	0.00	0.00	0.00
EU 21a	Of which the Simplified standardised approach (S-SA)	1.98	1.81	0.16
22	Of which Alternative Internal Model Approach (A-IMA)	0.00	0.00	0.00
EU 22a	Large exposures	0.00	0.00	0.00
23	Reclassifications between the trading and non-trading books	0.00	0.00	0.00
24	Operational risk	1,148.20	1,148.20	91.86
EU 24a	Exposures to crypto assets			
25	Amounts below the thresholds for deduction (subject to 250% risk weight)	38.77	35.92	3.10
26	Output floor applied (%)	0.50	0.50	
27	Floor adjustment (before application of transitional cap)	0.00	0.00	
28	Floor adjustment (after application of transitional cap)	0.00	0.00	
29	TOTAL	11,532.79	10,986.94	922.62

Template EU CMS1 – Comparison of modelled and standardised risk weighted exposure amounts at risk level

		a	b	c	d	EU d
		RWEAs for modelled approaches that banks have supervisory approval to use	RWEAs for portfolios where standardised approaches are used	Total actual RWEAs (a + b)	RWEAs calculated using full standardised approach	RWEAs that is the base of the output floor
1	Credit risk (excluding counterparty credit risk)	1,793.05	8,348.20	10,141.25	12,816.37	12,363.07
2	Counterparty credit risk	2.53	133.88	136.40	139.66	139.66
3	Credit valuation adjustment		29.97	29.97	29.97	29.97
4	Securitisation exposures in the banking book	-	74.98	74.98	74.98	74.98
5	Market risk	-	1.98	1.98	1.98	1.98
6	Operational risk		1,148.20	1,148.20	1,148.20	1,148.20
7	Other risk weighted exposure amounts		-	-	-	-
8	TOTAL	1,795.58	9,737.21	11,532.79	14,211.17	13,757.86

Template EU CMS2 – Comparison of modelled and standardised risk weighted exposure amounts for credit risk at asset class level

		a	b	c	d	EU d
		Risk weighted exposure amounts (RWEAs)				
		RWEAs for modelled approaches that institutions have supervisory approval to use	RWEAs for column (a) if re-computed using the standardised approach	Total actual RWEAs	RWEAs calculated using full standardised approach	RWEAs that is the base of the output floor
1	Central governments and central banks	-	-	85.67	85.67	85.67
EU 1a	Regional governments or local authorities	-	-	124.64	124.64	124.64
EU 1b	Public sector entities	-	-	10.85	10.85	10.85
EU 1c	Categorised as Multilateral Development Banks in SA	-	-	5.74	5.74	5.74
EU 1d	Categorised as international organisations in SA	-	-	-	-	-
2	Institutions	-	-	78.37	78.37	78.37
3	Equity	-	-	577.95	577.95	577.95
4	Not applicable					
5	Corporates	141.52	198.69	3,589.36	3,646.26	3,646.26
5.1	Of which: F-IRB is applied	0.00	0.00	0.00	0.00	0.00
5.2	Of which: A-IRB is applied	141.52	198.69	141.52	198.69	198.69
EU 5a	Of which: Corporates - General	141.52	198.69	3,582.41	3,639.31	3,639.31
EU 5b	Of which: Corporates - Specialised lending	0.00	0.00	6.94	6.94	6.94
EU 5c	Of which: Corporates - Purchased receivables	0.00	0.00	0.00	0.00	0.00
6	Retail	1,651.54	4,269.48	4,818.48	4,319.21	3,865.90



		a	b	c	d	EU d
		Risk weighted exposure amounts (RWEAs)				
		RWEAs for modelled approaches that institutions have supervisory approval to use	RWEAs for column (a) if re-computed using the standardised approach	Total actual RWEAs	RWEAs calculated using full standardised approach	RWEAs that is the base of the output floor
6.1	Of which: Retail - Qualifying revolving	34.65	73.61	34.65	73.61	73.61
EU 6.1a	Of which: Retail - Purchased receivables	0.00	0.00	0.00	0.00	0.00
EU 6.1b	Of which: Retail - Other	410.60	978.20	460.05	1,027.92	1,027.92
6.2	Of which: Retail - Secured by residential real estate	1,206.29	3,217.68	1,206.29	3,217.68	2,764.37
7	Not applicable					
EU 7a	Of which: Retail - Categorised as secured by mortgages on immovable properties and ADC exposures in SA	0.00	0.00	3,117.50	3,117.50	3,117.50
EU 7b	Collective investment undertakings (CIU)	0.00	0.00	13.12	13.12	13.12
EU 7c	Categorised as exposures in default in SA	0.00	0.00	363.90	363.90	363.90
EU 7d	Categorised as subordinated debt exposures in SA	0.00	0.00	0.00	0.00	0.00
EU 7e	Categorised as covered bonds in SA	0.00	0.00	46.97	46.97	46.97
EU 7f	Categorised as claims on institutions and corporates with a short-term credit assessment in SA	0.00	0.00	56.78	56.78	56.78
8	Others	0.00	0.00	369.41	369.41	369.41
9	TOTAL	1,793.05	4,468.17	10,141.25	12,816.37	12,363.07

3. Liquidity Risk

3.1. Liquidity Coverage Ratio

Template EU LIQ1 – Quantitative information of LCR

		a	b	c	d	e	f	g	h
		Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on	30/09/2025	30/06/2025	31/03/2025	31/12/2024	30/09/2025	30/06/2025	31/03/2025	31/12/2024
EU 1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
HIGH-QUALITY LIQUID ASSETS									
1	TOTAL HIGH-QUALITY LIQUID ASSETS (HQLA)					10.622,58	10.973,75	11.142,86	11.008,10
CASH – OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	9,043.99	9,085.69	9,104.38	9,087.98	785.07	780.89	768.79	760.57
3	Stable deposits	3,558.55	3,548.60	3,554.04	3,590.57	177.93	177.43	177.70	179.53
4	Less stable deposits	4,337.44	4,301.40	4,209.92	4,129.01	607.15	603.46	591.08	581.05
5	Unsecured wholesale funding	7,077.97	7,186.61	7,122.87	7,103.08	5,001.80	5,029.77	5,000.43	5,035.93
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7	Non-operational deposits (all counterparties)	6,763.29	6,897.72	6,871.89	6,865.50	4,687.12	4,740.88	4,749.45	4,798.35
8	Unsecured debt	314.68	288.89	250.98	237.58	314.68	288.89	250.98	237.58
9	Secured wholesale funding					40.04	31.72	24.53	26.79
10	Additional requirements	3,618.60	3,613.62	3,663.90	3,682.31	869.99	858.80	847.26	835.55
11	Outflows related to derivative exposures and other collateral requirements	262.40	282.49	301.53	318.15	262.40	282.49	301.53	318.15
12	Outflows related to loss of funding on debt products	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13	Credit and liquidity facilities	3,356.20	3,331.13	3,362.37	3,364.16	607.60	576.31	545.74	517.40
14	Other contractual funding obligations	85.97	85.97	85.97	0.00	85.97	85.97	85.97	0.00
15	Other contingent funding obligations	610.05	625.25	677.05	729.90	6.10	6.25	6.77	7.30
16	TOTAL CASH OUTFLOWS					6,788.98	6,793.40	6,733.75	6,666.14
CASH – INFLOWS									
17	Secured lending (e.g. reverse repos)	1,355.22	1,301.69	1,254.21	1,033.46	195.89	184.10	148.10	106.25
18	Inflows from fully performing exposures	702.93	693.51	677.38	658.83	523.63	513.40	497.23	474.38
19	Other cash inflows	755.07	767.66	775.65	776.69	178.35	180.38	184.55	183.84
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					0.00	0.00	0.00	0.00
EU-19b	(Excess inflows from a related specialised credit institution)					0.00	0.00	0.00	0.00
20	TOTAL CASH INFLOWS	2,813.21	2,762.86	2,707.24	2,468.98	897.86	877.88	829.88	764.47
EU-20a	Fully exempt inflows	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EU-20b	Inflows subject to 90% cap	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EU-20c	Inflows subject to 75% cap	2,813.21	2,762.86	2,707.24	2,468.98	897.86	877.88	829.88	764.47
TOTAL ADJUSTED VALUE									
EU-21	LIQUIDITY BUFFER					10,622.58	10,973.75	11,142.86	11,008.10
22	TOTAL NET CASH OUTFLOWS					5,891.12	5,915.53	5,903.87	5,901.66
23	LIQUIDITY COVERAGE RATIO					181%	186%	189%	187%

3.2. Liquidity Coverage Ratio and Net Stable Funding Ratio

At the end of September 2025, the consolidated LCR stood at 181% (average value of last 12 months) and 186% (end of September level), while the NSFR stood at 127%. Both ratios highlight a strong liquidity position.

The LCR ratio in the two significant currencies of the Bank (EUR and USD) are closely monitored and structurally well above 100%.

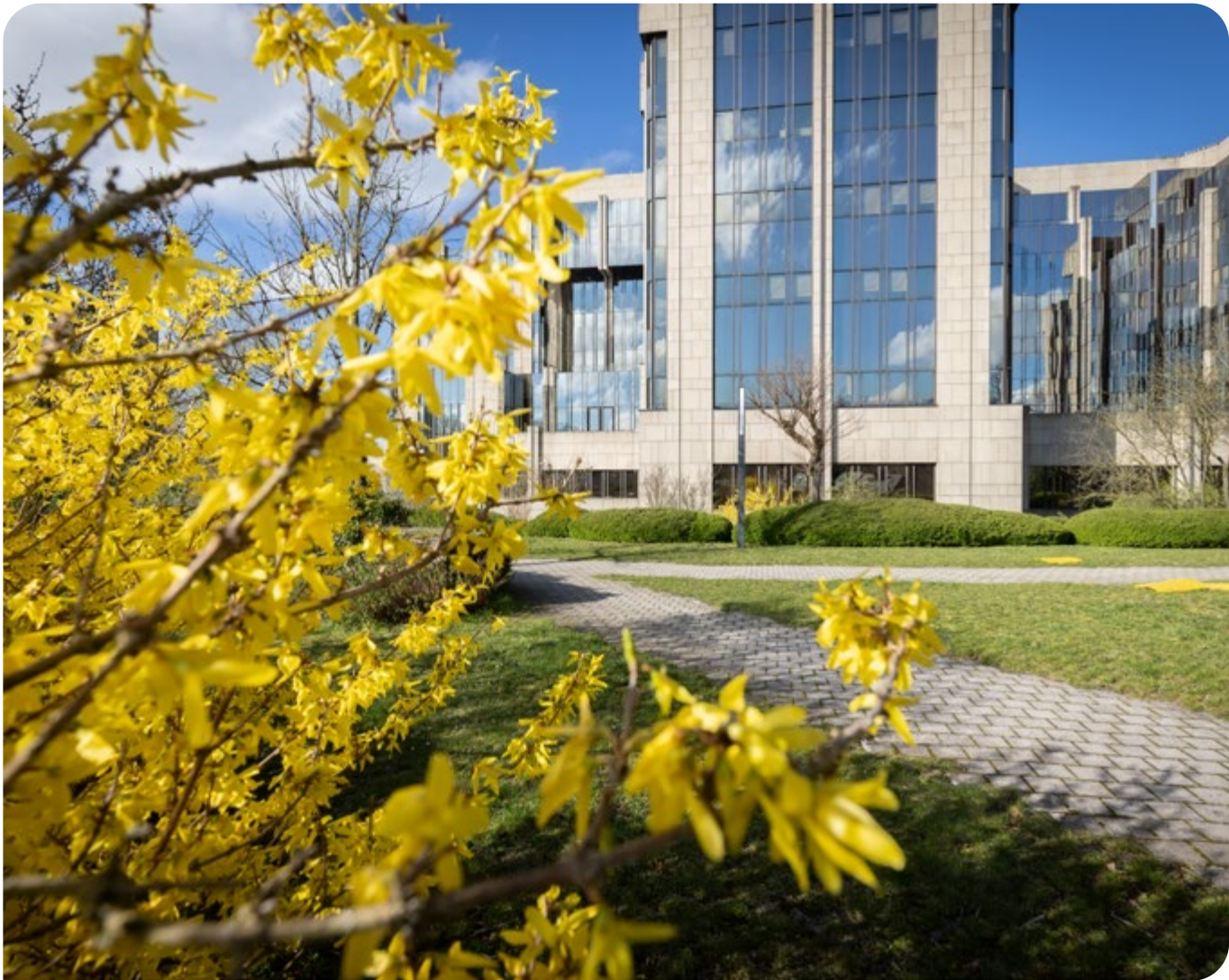
3.3. Concentration of funding sources and composition of the liquidity buffer

The Bank's funding sources are well diversified, mainly between stable medium- and long-term products. At the end of September 2025, the total funding included retail funding at 36%, deposits from non-financial counterparties at 22%, and debt securities issued at 17%.

The LCR liquidity buffer is fundamentally constituted of level 1 securities and readily accessible central bank reserves, which account for 73% and 9% of the LCR buffer, respectively.

3.4. Derivative exposures and potential collateral calls

Derivative exposures result mainly from the hedging of interest rate risk on the investment portfolio and the issuance of debt securities. The collateral calls linked to the investment portfolio are offset by a symmetric variation of the market value of the investment portfolio, mainly composed of HQLA securities. The impact on the LCR is theoretically neutral. In a conservative approach, the Bank relies on the Historical Look-Back Approach (HLBA) to include potential collateral calls in the outflows.



4. Credit Risk

Credit risk represents the potential loss (reduction in value of an asset or payment default) that BIL may incur because of a deterioration in the solvency of any counterparty.

In line with Article 438 (h) of Regulation (EU) No 575/2013 (CRR), the following tables provide a flow statement explaining changes in the credit risk RWA between Q2-2025 and Q3-2025 (IRB approach).

Template EU CR8 – RWEA flow statements of credit risk exposures under the IRB approach

		Risk weighted exposure amount
1	Risk weighted exposure amount as at the end of the previous reporting period	6,384.47
2	Asset size (+/-)	-1,007.40
3	Asset quality (+/-)	-246.29
4	Model updates (+/-)	-3,337.73
5	Methodology and policy (+/-)	0.00
6	Acquisitions and disposals (+/-)	0.00
7	Foreign exchange movements (+/-)	0.00
8	Other (+/-)	0.00
9	Risk weighted exposure amount as at the end of the reporting period	1,793.05

Conclusion

As a key player in Luxembourg's financial sector, BIL remains committed to maintaining its support of the national economy and its businesses. In this context, the current capital and liquidity situation allowed the Bank to successfully navigate the third quarter of 2025. The Bank will continue to ensure that its financial resources are sufficient to cover all relevant risks and will be able to maintain the continuity of its operations on an ongoing basis, as well as to sustainably execute its business strategy.



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