

Luxembourg, 4 September 2023

Supporting clients in a complex environment

Banque Internationale à Luxembourg (BIL) delivered a sound financial performance during the first half of 2023, with a net profit of 103 million euros. Rising interest rates and lingering inflation have been the markers of the half-year. BIL remains fully focused on proactively helping clients navigate the current environment.

Over the past 12 months, central banks around the world are raising interest rates to curb the highest levels of inflation seen in decades, and tightening financial conditions. This environment, not seen in years, brings new challenges which BIL is closely monitoring. As a systemic bank, it is following a prudent approach. Risks are identified and managed consistently. BIL has strong financial fundamentals, as shown by the recent ECB Stress Test exercise. Its CET1 ratio stands at 13.63% and its LCR at 154.4%. With robust levels of capital and liquidity, BIL is a reliable partner for all its clients.

Marcel Leyers, CEO of BIL commented:

“In the complex environment we are currently navigating, the mission of our teams is first and foremost to support our clients and to ensure them of our undivided support. The combination of this relentless work, our resources and our capabilities continued to drive growth in 2023.”

During the first half of the year, BIL strengthened its services aimed at entrepreneurs and individual clients with an entrepreneurial mindset. It focused on supporting its clients on its key commercial markets from its hubs in Luxembourg, Switzerland and China. The Group has also made significant progress on its sustainable development action plan, building up skills and awareness on ESG requirements and expanding its ESG investment and financing offering.

A sound financial performance

BIL's net income after tax reached 103 million euros in June 2023 compared with 68 million euros in June 2022. This increase is driven by solid revenues from commercial activities and efficient cost control. To be noted, an increase of the cost of risk, due to prudent provisioning in line with the interest rate increase and inflation.

BIL focused on proactively helping clients navigate the current environment of rising interest rates. Client deposits decreased by 6.8% to 19.6 billion euros as they moved their deposits to more remunerative products and also proceeded to the early repayment of their variable rate loans. Client loans slightly decreased to 16.4 billion euros down from 16.5 billion euros at the end of 2022. This decrease is linked to the continued general slowdown in mortgage loan production in Luxembourg, impacted by the rapid rise in interest rates decided by the ECB and delays in new construction projects caused by the current downturn in the real estate sector, the rising cost of raw materials, supply chain disruption and early reimbursement as clients are

using their excess of liquidity to deleverage their investment profile. Assets Under Management increased to 44.1 billion euros compared with 43.5 billion euros at year end 2022 due to a positive market effect.

The [full 2023 semi-annual report](#) is available on bil.com.

About Banque Internationale à Luxembourg (BIL):

Founded in 1856, Banque Internationale à Luxembourg (BIL) is the oldest multi-business bank in the Grand Duchy. It has always played an active role in the main stages of development of the Luxembourg economy. It currently operates in retail, private and corporate banking, as well as on financial markets. Employing more than 2,000 people, BIL is present in the financial centres of Luxembourg, Switzerland and China.

www.bil.com

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