Press release

Robust performance in challenging times

Luxembourg, 19 August 2016: Banque Internationale à Luxembourg SA (BIL) has published its financial results for the first half of 2016. The satisfactory performance of its commercial banking activities and its Treasury & Financial Market activities, as well as the continued roll-out of the BIL2020 strategic plan have allowed profit levels to remain constant, despite the difficulties prevalent in the current economic environment.

- Pre-tax net operating profit (excluding non-recurring items) of EUR 60 million.
- Client loans up by 5.7% to EUR 12 billion, compared with EUR 11.4 billion at 31 December 2015.
- Client deposits up by 6.4% to EUR 16 billion, compared with EUR 15 billion at 31 December 2015.
- Assets under management up by 0.8% to EUR 35.8 billion, compared with EUR 35.5 billion at 31 December 2015.

BIL reported a satisfactory performance for its commercial banking activities in the first half of 2016. Deposits increased by 6.4% in 6 months to reach EUR 16 billion, a clear indication of BIL's stronger position on the markets in which it operates. Client loans rose by 5.7% to EUR 12 billion, demonstrating the bank's active role in the financing of the Luxembourg economy. Moreover, assets under management gained 0.8% to reach EUR 35.8 billion. This good performance should be viewed in the context of a particularly challenging environment for the banking sector, with negative interest rates, volatile financial markets and a continued level of high regulatory pressure.

Solid foundations and proven profitability

BIL reported pre-tax operating profit of EUR 60 million in H1 2016, down on the same period in 2015, when it achieved EUR 66 million. This decline can largely be attributed to the cost associated with the Deposit Guarantee Scheme (DGS), which was higher in 2016 than in 2015, and the contributions to the Luxembourg and European resolution funds. On a like-for-like basis (excluding the DGS and resolution funds) and including six months of KBL (Switzerland) in 2015[1], pre-tax operating income is up 7.1%.

[1] We have included this in order to compare H1 2016 with H1 2015 in view of the fact that KBL (Switzerland) was merged with BIL (Suisse) in November 2015.

Net income for H1 2016 amounted to EUR 45 million, compared with EUR 108 million for the same period in 2015. Although this figure is down, it can in large part be explained by the exceptional income received in 2015, notably through the sale of Luxempart (EUR 67 million) and the increased contribution to the DGS and resolution funds in 2016.

The strength of the bank's financial position is also reflected by ratings agency evaluations. In H2 2015, Moody's and Standard & Poor's increased their ratings to A3/positive/P-2 and A-/Stable/A-2 respectively. In April 2016, Fitch confirmed its rating of BBB+/Stable/F2. Results from recent stress tests of banks belonging to the ECB Supervisory Review and Evaluation Process (SREP) Stress Tests group confirmed that BIL has a strong solvency position, even in the most adverse economic conditions or difficult markets.

"This good performance shows once again that BIL, with the strong support of its shareholders, is on a sound financial footing and has a development strategy – embodied by its staff – that is bearing fruit. Our commercial banking activities are growing and we are gaining market share thanks to innovative solutions that are relevant to our clients in Luxembourg and abroad," stated Hugues Delcourt, BIL's CEO.

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 the development of the Luxembourg economy. It currently operates in retail, private and corporate banking, as well as on capital markets. Employing more than 2,000 people, BIL is present in the financial centres of Luxembourg, Switzerland (since 1984), Denmark (since 2000), the Middle East (since 2005) and Sweden (since 2016).

www.bil.com

For more information, please contact:

Vincent Pelletier
Banque Internationale à Luxembourg SA
69, route d'Esch • L-2953 Luxembourg
Tel.: +352 4590 5046 - Email: vincent.pelletier@bil.com