

Luxembourg, 23 April 2020 - For immediate release

BIL delivers strong 2019 results

Banque Internationale à Luxembourg SA (BIL) announced its financial results for the year 2019. BIL recorded a good performance of all business lines with a 20% increase in core operating net income before tax.

- Core operating net income before tax: EUR 136 million, +20% (EUR 114 million in 2018).
- Assets under Management: EUR 43.5 billion, +10.3% (EUR 39.5 billion in 2018)
- Customer deposits: EUR 19 billion, +10% (EUR 17.3 billion in 2018)
- Customer loans: EUR 14.7 billion, +9.9% (EUR 13.4 billion in 2018)
- Net income after tax: EUR 113 million, -14% (EUR 131 million in 2018), mainly due to non-recurring items in 2018.
- Common Equity Tier 1 Capital Ratio: 12.47% (12.04% in 2018)

BIL's commercial business lines delivered a solid performance in 2019. Core operating net income before tax (excluding non-recurring items) reached EUR 136 million compared with EUR 114 million in 2018, which represents an increase of EUR 23 million (20%). This positive result was further enhanced through cost containment measures and a limited cost of risk.

Net income after tax amounted to EUR 113 million, 14% less than in 2018 (EUR 131 million). This is mainly due to large non-recurring capital gains in 2018 from the Bank's Investment Portfolio and from the revaluation of the "Les Terres Rouges" building complex which was divested in 2019.

Assets under Management increased by 10.3%, reaching EUR 43.5 billion compared with EUR 39.5 billion at the end of 2018. This increase resulted from new net inflows of EUR 1.4 billion across all business lines and from a highly positive market effect of EUR 2.6 billion thanks to favourable market conditions in 2019.

Customer deposits increased by 10%, reaching EUR 19 billion, and customer loans by 9.9% to EUR 14.7 billion. Loan growth was essentially due to the commercial activities' contribution which increased by EUR 1.4 billion (+10.3% compared with year-end 2018), proof of BIL's ongoing support of the local economy.

CEO Marcel Leyers commented: "We are very pleased with this good business performance, it shows that our focus on bringing innovative solutions to our clients is bearing fruit. While we

already know that 2020 will be challenging, we will continue to support our clients - be they individuals or businesses - throughout this crisis to help rekindle sustainable economic growth.”

Luc Frieden, Chairman of the Board of Directors of BIL Group, added: “In 2019, with the support of our shareholders Legend Holdings and the State of Luxembourg, the Bank launched a new 5 year strategic plan. Despite the many global and national challenges ahead of us, BIL, as a leading universal bank, will continue to innovate, to support the Luxembourgish economy and to develop its franchise.”

The high quality of BIL’s services was recognised externally by numerous awards such as “Best Bank in Luxembourg 2019” by Global Finance and “Bank of the Year Luxembourg” by The Banker magazine.

BUSINESS HIGHLIGHTS 2019

The Bank launched a new strategic plan in 2019 which foresees investments of EUR 400 million until 2025. BIL intends to position itself as an innovative bank on its Luxembourgish home market whilst developing the international wealth management and corporate banking offering.

1) Enhanced digital and payment services

2019 saw further enhancements of BIL’s digital and payment solutions. Following the rollout of fully mobile onboarding solutions for new clients in 2018, desktop onboarding was enabled in 2019 with an ID now identification via mobile phone. In December, BIL launched a new “Pay@pump” mobile payment service for fuel, developed with the start-up CarPay-Diem. More recently, the Bank launched Apple Pay services which enables its clients to pay with an Apple device that is linked to their BIL credit or debit cards. At the same time, the Bank constantly strives to make its standard products more attractive, for example by enhancing payment services thanks to an exclusive partnership with Visa.

2) An extended range of investment services

BIL also continued to extend its alternative investment fund range in 2019 to maximise investment opportunities for clients. In general, BIL witnessed a growing client appetite for investments in funds which offer attractive yields in the current low-interest rate environment. Discretionary management has become a flagship product thanks to a strong portfolio performance which enabled BIL to once again be included in the ranking of leading investment service providers in Luxembourg.

3) Supporting innovative companies in Luxembourg and abroad

Throughout 2019, BIL continued to support innovative companies in Luxembourg. In April, the InnovFin guarantee agreement that was signed by the European Investment Fund and BIL in 2015 was extended to allow BIL to expand its lending to innovative Luxembourgish small and medium-sized businesses and small mid-caps. The InnovFin facility now covers up to EUR 80 million in total. In another move to boost lending to entrepreneurs, BIL signed a framework

agreement with Office du Ducroire (ODL) aimed at increasing lending to Luxembourgish companies to boost their international trade. This is the first agreement of its kind between ODL and a bank.

4) On the road to China

The acquisition of the majority stake in BIL by Legend Holdings in 2018 created many opportunities in the Chinese market. In 2019, the Bank created dedicated wealth management China desks in Luxembourg and Switzerland to service Chinese High Net Worth Individual (HNWI) clients.

In September, BIL opened a Representative Office in Beijing to provide tailored support to companies, business owners, and individuals who want to invest and develop their business in Europe. In February 2020, BIL acquired 100% of Sino Suisse Financial Group (Hong Kong) Limited, an external wealth management firm based in Hong Kong, which provides financial advice to HNWIs, entrepreneurs and their families.

OUTLOOK 2020

Since its foundation in 1856, BIL has actively supported Luxembourg's economic growth. Now that the country is facing an unprecedented challenge with the COVID-19 pandemic, the Bank intends to do so more than ever before, joining forces with the main commercial banks of Luxembourg and the Government to support the Grand Duchy's businesses and self-employed. For example, the Bank took the initiative to grant small and medium-sized enterprises and self-employed workers a six-month moratorium on existing loans. New credit facilities will be 85% guaranteed by the State.

As a result of the worsening of the macroeconomic outlook, the Bank is expecting lower revenues and higher costs of risk and operations in the current financial year although it remains too early to quantify the impact on BIL's financials. This will depend on a large range of external factors. Nevertheless, it should be noted that the Bank's capital and liquidity positions remain solid with significant buffers in excess of regulatory requirements.

Marcel Leyers concluded: "At BIL, we are fully focused on doing everything we can to provide financial support and advice to our customers at this time of significant uncertainty. I am confident that we will all learn from this crisis, and even if we still have tough times ahead of us, we will eventually emerge stronger than ever."



**COMMUNIQUÉ DE PRESSE
PRESSEMITTEILUNG
PRESS RELEASE**

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, Denmark, the Middle East, and China.

www.bil.com

For more information, please contact :

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