



# Investor presentation

- April 2025

This presentation and the information contained therein (herein referred to as the “Document”) have been prepared by Banque Internationale à Luxembourg S.A. (herein referred to as “BIL”), a Luxembourg bank licensed and supervised by the CSSF (the Luxembourg Commission de Surveillance du Secteur Financier) and the ECB (European Central Bank). It has been produced for information purposes only and may not be complete. This Document cannot be construed as investment advice as it has been prepared without regard to the individual financial and other circumstances of persons who receive it.

This Document does not constitute an offer to sell or the solicitation to buy any securities issued by BIL or any entity of the BIL group and does not constitute a public offer under any applicable legislation. In particular, this Document is not an offer to sell or the solicitation of an offer to purchase securities in the United States. Securities may not be sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended.

This Document may include future expectation and/or forward-looking statements and assumptions related to the possible evolutions of business environment. By their very nature, statements contained in this Document involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution readers not to place undue reliance on these statements as a number of important factors could cause our actual results to differ materially from the beliefs, plans, objectives, expectations, anticipations, estimates and intentions expressed in such statements. Such important factors may include, but are not limited to, general economic conditions, general competitive factors, changes in the availability or costs of liquidity, general market conditions, changes in laws and regulations (including accounting principles), changes in the policies of regulatory authorities, changes in interest rates and/or exchange rates, and other factors not specified herein. In any event, such forward-looking statements speak only as of the date on which they are made, and BIL does not undertake any obligation to update or revise such statements as a result of new information, future events or otherwise.

BIL makes every effort to ensure the contents of this Document have been compiled from sources believed reliable. All opinions, estimates and projections contained in this Document are those of BIL as of the date hereof and are subject to change without notice. BIL or any other entity of BIL's Group is not liable for any damages that may result from any inaccuracy or incompleteness in/of this information. BIL or any other affiliate of BIL is not liable for any investment decisions of whatever nature, which are in any way based on this Document by the user thereof. This Document or any part of it may not be reproduced, distributed or published without the prior written consent of BIL.



**Leading franchise** in a AAA rated country with **stable and resilient economy**



**Unique business model** with resilient revenue and profit from Luxembourg home market, coupled with growth potential from international wealth management



**Attractive revenue mix** integrating corporate business and lending capability with wealth management business, resulting in significant contribution from **recurring fee business**



Strong focus on **responsible and sustainable business** considering all stakeholders



**Robust balance sheet** with strong asset quality, sound capitalisation with significant organic capital generation and resilient funding base



**Best-in-class financial profile** with profitable growth and **targeted diversification** of revenue sources through the **development of international markets**



**Highly experienced management team** supported by **motivated and loyal staff**

# Agenda

---

01 Overview	5
02 2024 Financial Performance	15
03 2024 Asset Quality	18
04 2024 Solvency and Liquidity	22
05 Sustainability Strategy	27
06 Green Bond Framework	31
07 Key Takeaways	36
08 Appendix	38



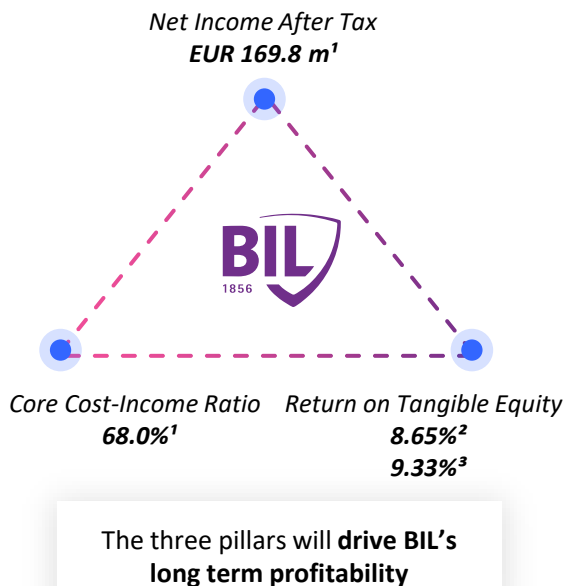


# Overview

---



### 3 Pillars Underlying The Plan



### BIL's Ambitions

In December 2024, BIL's Board of Directors validated a new strategic plan covering the 2025-2030 period **"Building Tomorrow Together"**. This plan aims to build the LEAD bank – Lean, Efficient, Agile, Data-driven and Digital, in **two phases**:

- The first phase will focus on gaining efficiency by resetting the cost trajectory to a sustainable level, reshaping the business franchise to support capital efficiency and ability to deliver fee revenues, while also implementing digital foundations for long-term scalable and cost-efficient growth in Retail Banking, based on the new CBS foundation.
- The second phase will focus on achieving scalable and cost-efficient growth by maintaining an efficient cost-base, gaining scale and growing the commission share of overall revenues.

#### Building Tomorrow Together 2030 -> Two distinct phases of the 2025-2030 plan

I

#### PHASE 1: GAIN EFFICIENCY (2025-2026)

Reset cost trajectory to sustainable level

Implement enablers for scalable, cost-efficient growth

Reshape business franchise to support capital efficiency & fee business generation

II

#### PHASE 2: SCALABLE, COST-EFFICIENT GROWTH (2027-2030)

Maintain efficient cost base

Gain scale

Grow fee proportion of overall revenues

(1): Figures end of December 2024    (2): 2024 figures including non-recurring items

(3): 2024 figures excluding non-recurring items (restructuring costs, capital gains, cost of risk due to NPL sales)

# Overview

## A leading bank in the Luxembourg economy



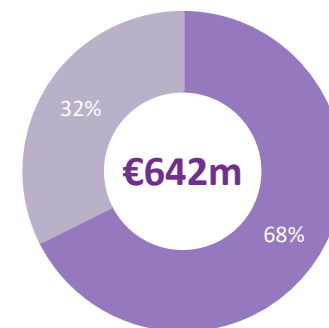
### Key Information

- Founded in 1856, BIL is the **oldest multi-business and #1 independent bank** in Luxembourg with local **market shares of 14.8% in lending** and **11.2% in deposits**<sup>(1)</sup>
  - >**150 years of experience** and **systemic importance** in Luxembourg
  - The Group has also a **dedicated wealth management office in Switzerland** as well as **trading floors in Luxembourg and Zurich**
- Operates under **2 business segments**: (i) Luxembourg Market & CIB and (ii) Wealth Management
- Reputation for **operational excellence** among professionals and **entrepreneurial mindset**
- Holding financial participations in major national companies**: (i) 13.14% stake in Luxair and (ii) 10% stake in Luxembourg Stock Exchange
- Strong shareholder backing by Legend Holdings and the Grand Duchy of Luxembourg**

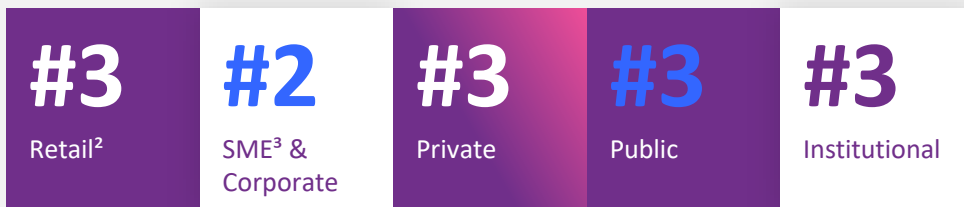
### Operating Segments

- Luxembourg Market & CIB** segment comprises Retail and Corporate and Institutional Banking in Luxembourg as well as the international dimension of the Corporate and Institutional Banking
- Wealth Management** comprises Wealth Management services for both domestic and international cross-border clients from Luxembourg and Switzerland.

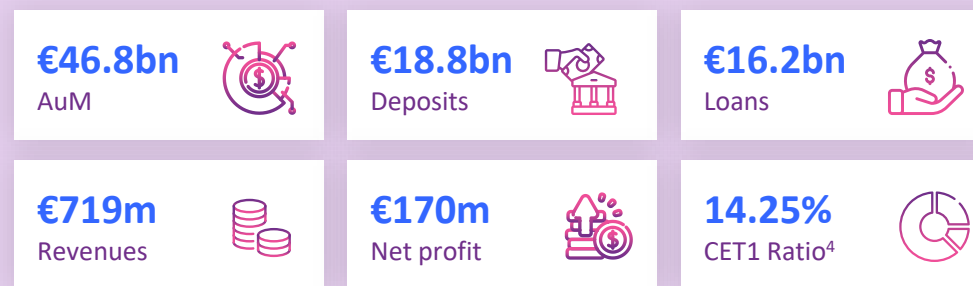
### Core Operating Revenues



### Leading Independent Bank in Luxembourg



### Key Financials as at Year End 2024



(1): Information based on BCL volumes as of December 2024. Local market share in lending from 15.3% (Dec. 2023) to 14.8% (Dec. 2024) and deposits from 11.4% (Dec. 2023) to 11.2% (Dec. 2024)

(2): TNS Ilres banking market survey for retail clients 2024 – market share 13.2%

(3): TNS Luxembourg banking survey 2024 for SMEs and Corporate clients – market share 22%

(4): CET1 after profit allocation

# Overview

## Key milestones of the oldest bank in Luxembourg



1856

Banque Internationale à Luxembourg, the first public limited bank in the country, undertook its first issues of banknotes



1963

BIL was underwriter of the first Euro bond listed on the Luxembourg Stock Exchange



1970

BIL is one of the founding members of CEDEL, which grew to become the clearing firm Clearstream International



1985

The Bank commenced its private banking activities in Switzerland



2012

Precision Capital and The Grand Duchy of Luxembourg bought BIL from Dexia



2015

Merger of the private banking business of KBL (Switzerland) into BIL Switzerland



2018

Legend Holdings acquired Precision Capital's stake in BIL



2019

BIL opened a Representative Office in Beijing, China



# Overview

## Broad product and financial services offering



### Retail Banking

- ✓ One of the **top Luxembourg retail banks**, **delivering high value added to clients**
- ✓ Providing **clients with daily banking services**, as well as **investment and lending services**
- ✓ **Omni-channel delivery model** combining **high value-added human interactions** with a **digital and remote support**



### Corporate & Institutional Banking

- ✓ **One of the top Luxembourg banks** for companies of all sizes, financial institutions and the public sector
- ✓ **Comprehensive range of services and advice**, with tailor-made and flexible financing solutions and corporate finance offering in Luxembourg and Switzerland
- ✓ **Competitive time-to-market** enabled by a **rapid and local decision-making process**

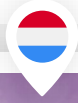


### Wealth Management

- ✓ **Wealth Management activities for Luxembourg-based clients**, as well as for **international cross-border clients**
- ✓ **Booking centres in Luxembourg and Switzerland**
- ✓ **Trusted advisor** delivering **high value-added investment services and lending facilities** to clients with an **entrepreneurial background**

# Overview

## Global presence



### Luxembourg

- Luxembourg Market & CIB (Retail, Corporate and Institutional Banking), Wealth Management and Financial Markets
- BIL Manage Invest (BMI)
- BIL Lease, financial leasing solutions



### Switzerland

- Full-fledged Swiss private bank for international clients, with an increasing exposure to high-growth geographies
- Corporate Advisory services
- Niche private bank with offices in Zurich, Geneva, Lugano



### China

- Rep. Office in Beijing conducting market research and promoting the BIL brand in the Chinese market

## BIL's Outlook

As part of the Energise Create Together 2025 strategy, throughout 2024, BIL continued to pursue the development of international markets to drive future growth

- 1 Leveraging on cross-border capacity in Luxembourg, Switzerland, BIL serves clients by offering them various tailor-made services
- 2 Clients have the choice between booking centres in Luxembourg and Switzerland, where they are offered holistic value-added products and advice
- 3 With the establishment of a representative office in Beijing China, BIL can benefit from proximity to clients in Chinese markets

# Overview

## Strong shareholder backing by Legend Holdings as majority owner



### Legend Holdings Overview

#### Strong Entrepreneurial Background...

- Legend Holdings is an **industrial operations and investments group** headquartered in Beijing, **China**, and listed on the **Hong Kong Stock Exchange** since June 2015
- As at 31 December 2024, Legend Holdings had **assets of EUR 91.80 billion<sup>1</sup>**, **annual revenues of EUR 65.84 billion<sup>2</sup>** and **approx. 88,000 employees** worldwide.
- Legend Holdings was founded in 1984 and developed **Lenovo** into a global leader following Lenovo's acquisition of IBM's global PC business in 2004
- Legend Holdings has over a **40-year history** of continued growth and expansion and is rated **AAA in China** (United Credit Ratings Company Limited)

#### ... With an Investment Portfolio with Sustainable Long-Term Growth



### BIL Acquisition Overview

- On 2 July 2018, **Legend Holdings Corp.** closed the transaction for the acquisition of Precision Capital's 89.936% stake in **BIL<sup>3</sup>**
- The Grand Duchy of Luxembourg remains an important shareholder** in BIL with its 9.998% stake
- Legend Holdings considers BIL as a **long-term strategic investment** and intends to **maintain and invest further in the development** of the BIL brand, in Luxembourg, Switzerland and China
- As at December 2023, **Legend Holdings Corp.** holds **89.980%** stake in **BIL<sup>4</sup>** and the **Grand Duchy of Luxembourg** holds **9.998%** stake.

- **Profitable business:** BIL's asset scale, profit and revenue growth potential and business stability
- **BIL's long history** and deep roots in Luxembourg
- **A well-run bank** with a **diversified business** mix and a focused, long-term strategy
- **A well-capitalised bank** with strong corporate governance and risk management



- **Long-term investment horizon** and capital support
- **Access to China:** business opportunities for BIL with Chinese companies and individuals overseas
- Potential business **synergies with other companies** in Legend's portfolio
- **Experience and network** in artificial intelligence, internet, big data and financial technology

(1): Based on EUR/CNY of 0.1319 as at 31 December 2024

(2): Based on 2024 average EUR/CNY of 0.1284

(3): Please refer to BIL press release dated 2 July 2018: "Legend Holdings receives regulatory approval for the acquisition of Banque Internationale à Luxembourg"

(4): After capital increase on 16 December 2019 of EUR 58 million

# 2024 Financial Performance

## 2024 Key Figures<sup>1</sup>



### Assets Under Management

**46.8** EUR billion  
+7% compared with Dec 2023



### Deposits

**18.8** EUR billion  
+1.7% compared with Dec 2023



### Loans

**16.2** EUR billion  
-1.1% compared with Dec 2023



**1,950**

FTE employees  
(BIL Group)



**#3**

in Luxembourg  
Market share



**27%**

Share of sustainable investment in the  
Bank's Investment Portfolio



### Net Profit BIL Group

**170** EUR million after tax  
-16% compared with Dec 2023



### Total Balance Sheet BIL Group

**30.7** EUR billion  
+0.7% compared with Dec 2023



### Common Equity Tier 1

**14.25%**  
CET1 2024 after profit allocation



(1): Please refer to the 2024 Annual Report on [www.bil.com](http://www.bil.com)

# 2024 Financial Performance

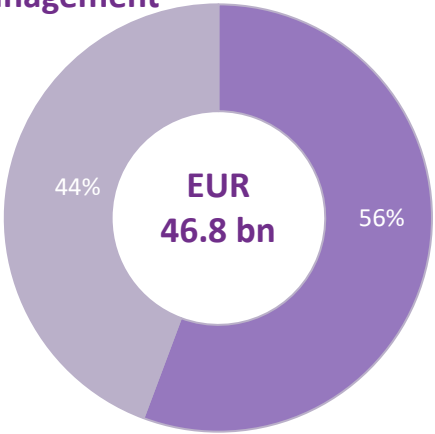
## 2024 business segments' breakdown

Luxembourg Market & CIB

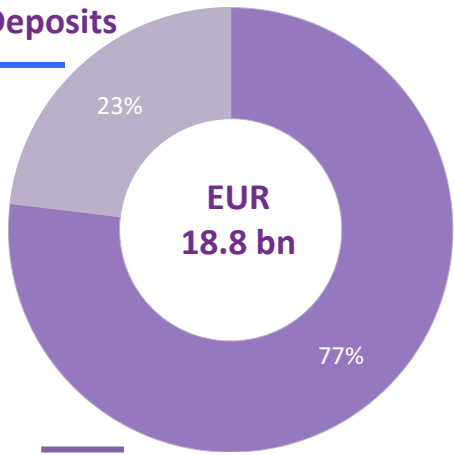
Wealth Management



### Assets under Management



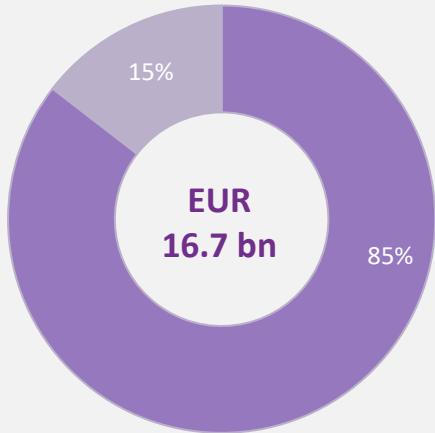
### Deposits



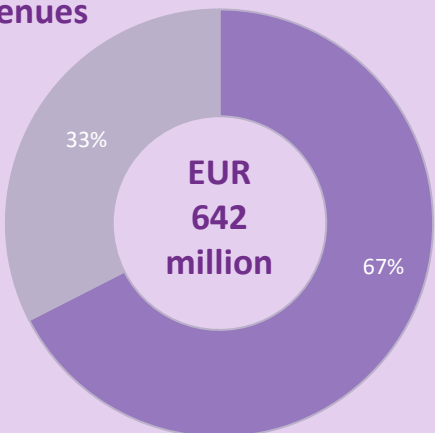
### Deposits by Geographic breakdown

Luxembourg	77%
Belgium	5%
France	4%
Germany	3%
Other Eurozone countries	4%
Switzerland	1%
UK	1%
Other EU countries	1%
Rest of Europe	1%
Rest of the world	3%

### Loans<sup>1</sup>



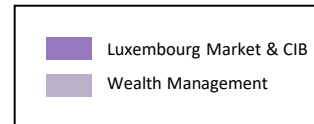
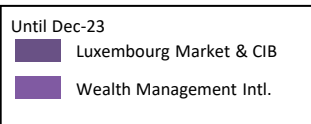
### Core operating revenues



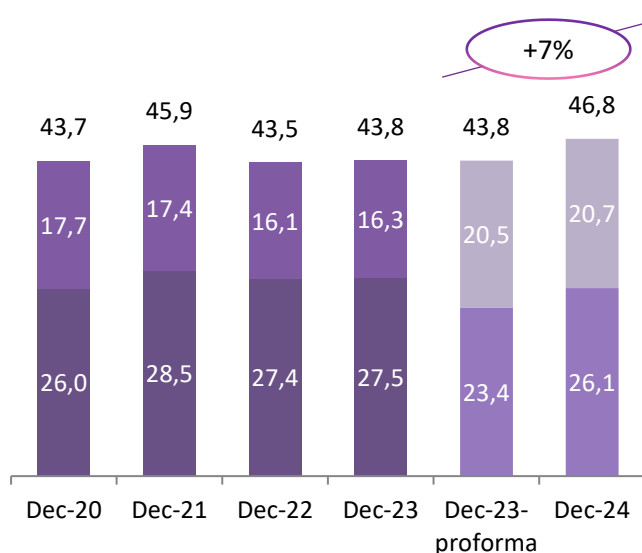
(1): To match with 2024 Balance Sheet figures (cf. slides 12 and 17), please note that this figure is limited to the commercial business lines excluding impairments on loans but including Euro Private Placement (Euro PP)

# 2024 Financial Performance

## Commercial franchise evolution



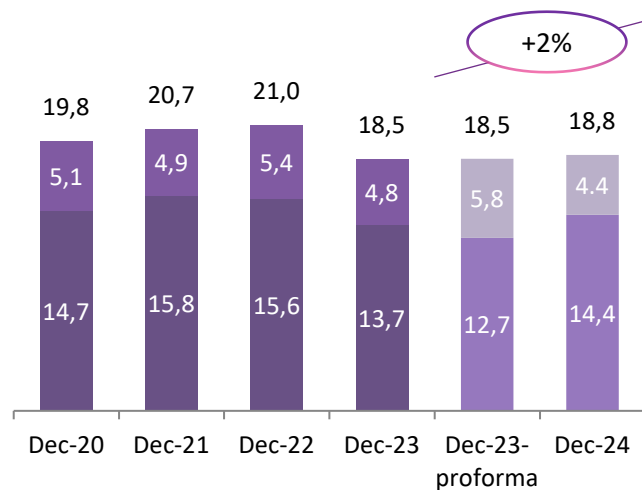
Assets under Management (in EUR billion)



**EUR + 3 billion**

positive market effect EUR 2.3 billion  
organic growth EUR 0.7 billion compared to 2023

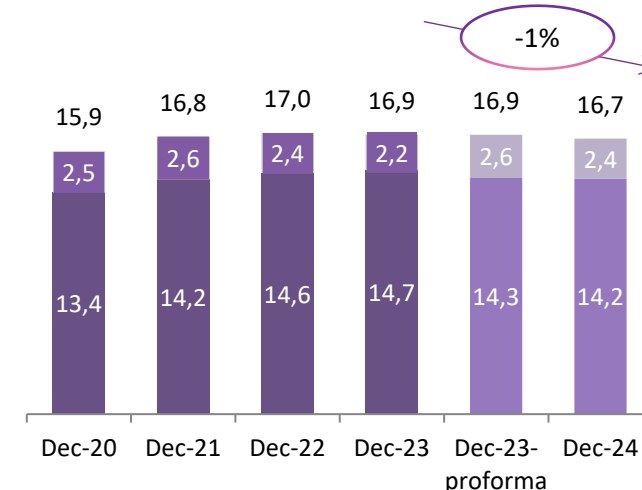
Deposits (in EUR billion)



**EUR +0.3 billion**

of deposits increase compared to 2023

Loans<sup>1</sup> (in EUR billion)



**EUR -0.2 billion**

of loans decrease compared to 2023

(1): To match with 2024 Balance Sheet figures (c.f. slides 12 and 17), please note that this figure is limited to the commercial business lines excluding impairments on loans but including Euro Private Placements (Euro PP)



# 2024 Financial Performance

---

04

# 2024 Financial Performance

## 2024 Income Statement



### Income Statement – Global view (in EUR million)

Income Statement	2023	2024
Revenues	762	719
Interests and dividend income	538	476
Fee income	212	204
Other income	11	39
Expenses	(505)	(499)
Gross operating income	256	221
Cost of Risk	(26)	(30)
<b>Net income before tax</b>	<b>230</b>	<b>190</b>
Tax	(29)	(20)
<b>Net income after tax</b>	<b>202</b>	<b>170</b>
<b>Cost-income ratio</b>	<b>66.3%</b>	<b>69.3%</b>

- BIL group reported a **net income after tax** of EUR 170 million, compared to EUR 202 million in 2023, down by 16%.
- BIL's profitability was influenced by shifts in net interest income, primarily due to the prevailing interest rate environment.

### Income Statement – Focus on core operating net income before tax (in EUR million)

Income Statement	2023	2024	Change	
<b>Core operating revenues</b>	<b>763</b>	<b>716</b>	<b>(46)</b>	<b>(6%)</b>
Luxembourg Market & CIB	452	433	(19)	(4%)
Wealth Management	242	209	(33)	(14%)
Financial Markets	51	23	(28)	(54%)
Group Center	17	51	34	203%
<b>Core operating expenses</b>	<b>(496)</b>	<b>(487)</b>	<b>9</b>	<b>(2%)</b>
Core operating cost of risk	(28)	(25)	3	(12%)
<b>Core operating net income before tax</b>	<b>239</b>	<b>205</b>	<b>(34)</b>	<b>(14%)</b>
<b>Core cost-income ratio</b>	<b>65.0%</b>	<b>68.0%</b>		

- BIL group's **core operating net income** before tax (excluding non-recurring items) amounts to EUR 205 million compared with EUR 239 million in 2023, down by 14%.
- This evolution was marked by a negative contribution of the core operating revenues of EUR 46 million offset by a positive contribution of the core operating expenses of EUR 9 million and core operating cost of risk of EUR 3 million.

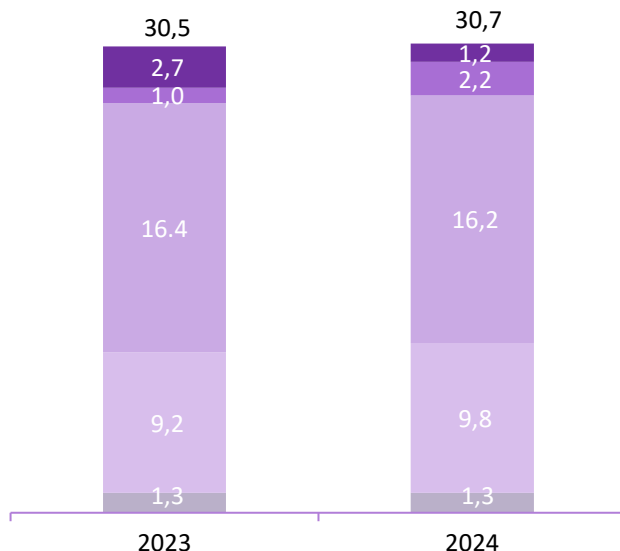
# Financial Performance

## 2024 Balance Sheet



### Assets (in EUR billion)

- Cash and Balances with Central Banks
- Loans and Advances to Credit Institutions
- Loans and Advances to Customers
- Financial Investments
- Other assets

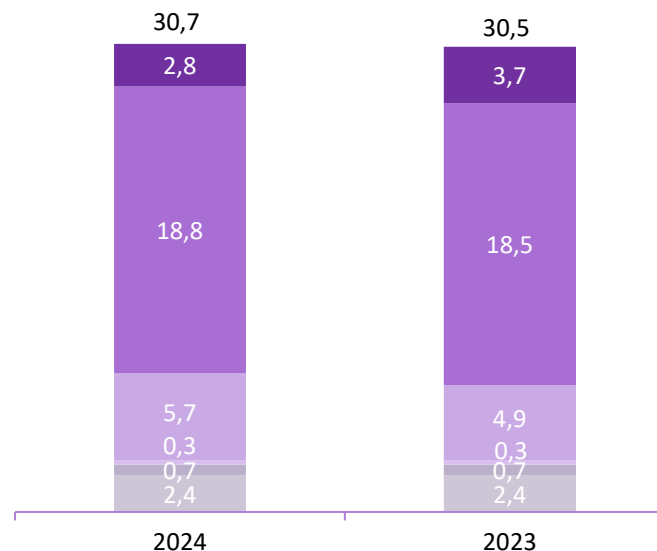


- Cash, balances with central banks and demand deposits amounted to EUR 1.2 billion, down by EUR 1.5 billion. This item consists mainly of overnight deposits with Central Banks. This reduction in BIL's excess liquidity is mainly due to an increase in "Loans and advances to Credit institutions" (EUR 1.2 billion).
- Loans and advances to credit institutions amounted to EUR 2.2 billion, up by EUR 1.2, mainly influenced by an increase in reverse repurchase agreements of EUR 1.2 billion. The Bank continued to opt for an active collateral management in a favourable market backdrop and actively engaged in collateralised transactions during 2024. This strategy contributed to the growth in reverse repurchase agreement balances, which involve lending cash against high-quality bonds to enhance our liquidity position while maintaining a robust risk management framework.
- Loans and advances to customers amounted to EUR 16.2 billion at the end of 2024 compared with EUR 16.4 billion at the end of 2023, down by 1.1% mainly due to Corporate Banking activities as real estate and large corporates suffered during 2024. The Bank continued to support the national economy to increase lending activities, and a slight upturn was observed in the second half of the year.
- Financial investments increased by EUR 0.6 billion to EUR 9.8 billion at the end of 2024.

Totals may differ slightly due to rounding

### Liabilities (in EUR billion)

- Amounts due to Credit Institutions
- Amounts due to Customers
- Debt Securities and Financial Liabilities
- Subordinated Debts
- Other liabilities
- Shareholders' Equity



- Amounts due to credit institutions amounted to EUR 2.8 billion, down by EUR 0.9 billion compared to 2023. This decrease mainly stems from a decrease in fiduciary interbank deposits (EUR 2.7 billion in 2024 compared to EUR 3.0 billion in 2023) and cash collateral received (EUR -0.2 billion).
- Amounts due to customers amounted to EUR 18.8 billion in December 2024, up by 0.3 billion since the end of 2023. This increase occurred mainly in fixed term deposits (EUR 1.1 billion) and savings accounts, partially offset by a decrease in current accounts (EUR 0.9 billion).
- Debt securities increased by EUR 0.8 billion, up by 16.0% to EUR 5.7 billion compared with 2023. Favourable market conditions enabled the Bank to opt for prefunding 2025 namely through the issuance of two FRN transactions for EUR 300 million and EUR 400 million, respectively. The remainder was raised through a combination of public and private placements subscribed by institutional and retail investors, seeking to secure favourable yields over a prolonged maturity period.
- Shareholders' equity increased by EUR 34 million (+1.4%). This increase can mainly be attributed to the 2024 net profit of EUR 170 million, offset by the dividend paid on the 2023 net profit of EUR 80 million, by the negative evolution of the revaluation reserves of EUR 46 million and the coupon payments on AT1 instruments.

# 2024 Asset Quality

---



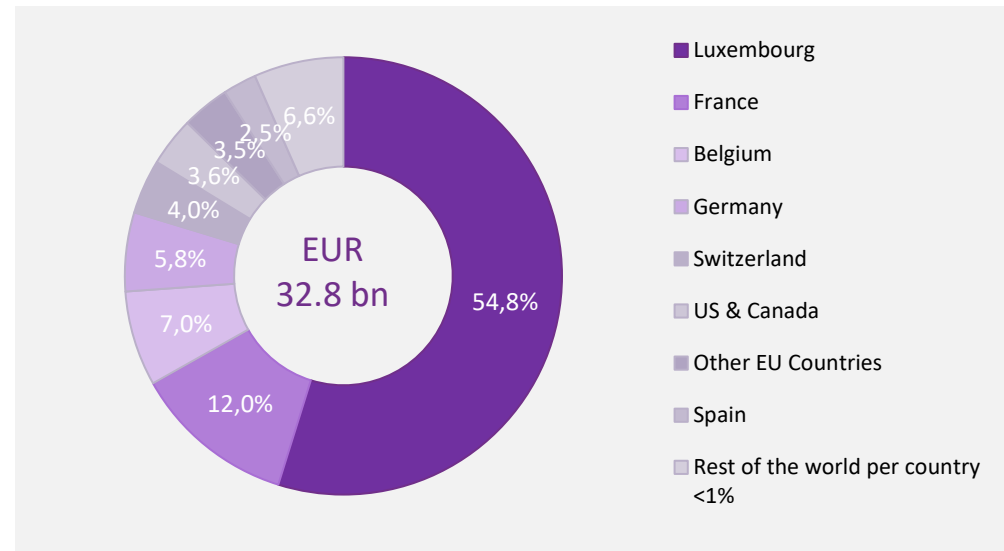


# 2024 Asset Quality

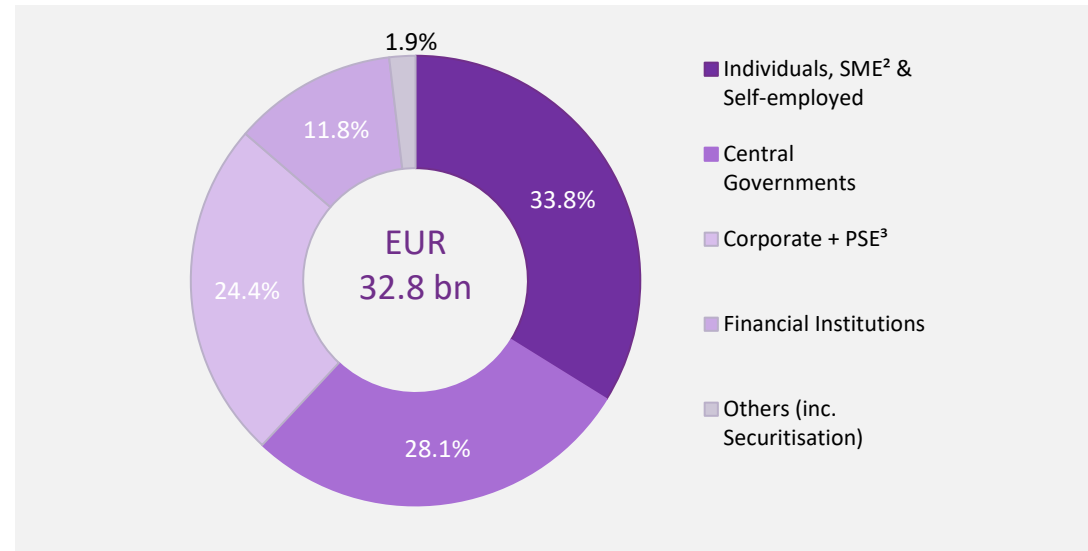
## 2024 Global Exposure



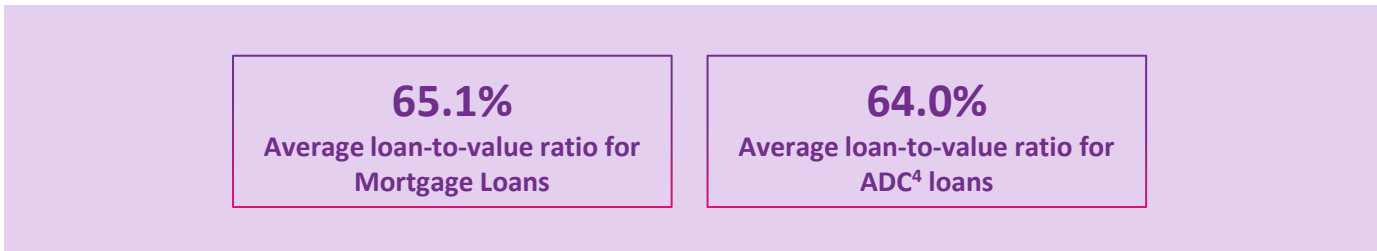
Exposure by Geographic Region (MCRE<sup>1</sup>)



Exposure by type of counterparty (MCRE<sup>1</sup>)



Loan-to-value ratios



(1): Maximum Credit Risk Exposure (MCRE): • The net carrying value of balance sheet assets other than derivative products (i.e. the carrying value after deduction of expert provisions);• The mark-to-market valuation of derivative products;• The total off-balance sheet commitments corresponding to unused lines of liquidity or to the maximum amount that BIL is committed to as a result of guarantees issued to third parties.

(2): SME – Small and Medium Enterprises      (3): PSE – Public Sector Entities

(4): ADC – Acquisition Development and Construction

19

# 2024 Asset Quality

## Asset quality loans and focus on Non-Performing Loans

### Total exposures loans and advances

Focus on asset quality ratio and coverage ratio		31/12/23	31/12/24
Net loans and advances to credit institutions	a	691	1 912
Net loans and advances to customers	b	16 350	16 172
ECL stage 1,2,3	c	(274)	(233)
<b>Gross loans and advances</b>	<b>d=a+b-c</b>	<b>17 315</b>	<b>18 317</b>
<i>ECL stage 1,2,3 / Gross loans and advances</i>	<i>c/d</i>	1.58%	1.27%

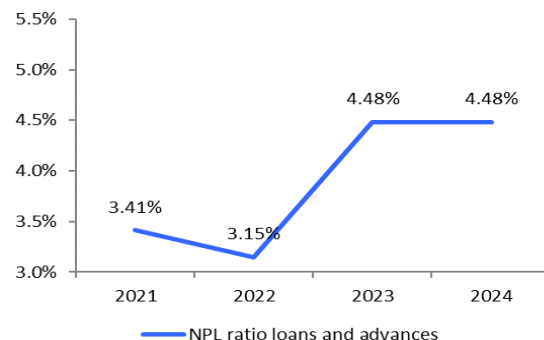
### Coverage ratio by stage and cost of risk in EUR and bps

Focus on stage 3			
Total stage 3 outstanding amount	e	776	821
ECL stage 3	f	(212)	(200)
<b>Coverage ratio stage 3</b>	<b>f/e</b>	<b>27.32%</b>	<b>24.36%</b>
Total collateral and guarantees	g	506	567
<b>Coverage ratio stage 3 including collateral</b>	<b>(f+g)/e</b>	<b>92.53%</b>	<b>93.42%</b>
<b>Non-Performing Loans (NPL) ratio</b>	<b>e/d</b>	<b>4.48%</b>	<b>4.48%</b>

Focus on stage 1 and stage 2			
Total stage 1 outstanding amount	h	14 554	15 659
ECL stage 1	i	(39)	(19)
<b>Coverage ratio stage 1</b>	<b>i/h</b>	<b>0.27%</b>	<b>0.12%</b>
Total stage 2 outstanding amount	j	1 985	1 836
ECL stage 2	k	(23)	(14)
<b>Coverage ratio stage 2</b>	<b>k/j</b>	<b>1.16%</b>	<b>0.76%</b>

Focus on Cost of Risk on loans and advances to customers		31/12/23	31/12/24
Net impairment excl. non-recurring items	i	(33)	(28)
<b>Cost of risk excluding non-recurring items (in bps)</b>	<b>i/(b-c)</b>	<b>20</b>	<b>17</b>

### Non-Performing Loans (NPL) ratios



- The NPL ratio stood at 4.48% remaining stable with 2023.

### Breakdown of 2024 NPL by sector

NPL breakdown by sector	Total NPL	%
Residential Real Estate	278	34%
Corporate Real Estate	37	4%
Acquisition, Development, Construction (ADC)	109	13%
Income Producing Real Estate (IPRE)	128	16%
Other loans secured by immovable properties	127	16%
Other Collateralised loans	66	8%
Other non-Collateralised loans	55	7%
Subsidiaries (BIL Suisse, BIL lease)	21	2%
<b>Total</b>	<b>821</b>	<b>100%</b>

### Comments

- As at December 2024, the total amount of NPLs increased to EUR 821 million, up from EUR 776 million at the end of 2023 and down from EUR 839 million at the end of June 2024.
- The confluence of geopolitical tensions and rising interest rates have severely impacted the economic outlook, leading to a significant deterioration in credit quality over the past two years.
- This adverse effect was particularly pronounced in portfolios such as Real Estate and medium-sized enterprises (SMEs), which are crucial to Luxembourg's economic landscape.
- In order to mitigate the increase in NPLs, BIL proactively implemented a series of robust measures in 2024, including enhancing preventative strategies, intensifying monitoring as soon as loans are classified in Stage 2, redefining policies and governance frameworks and disposing of NPLs on the secondary market as part of a forward-looking NPL strategy.



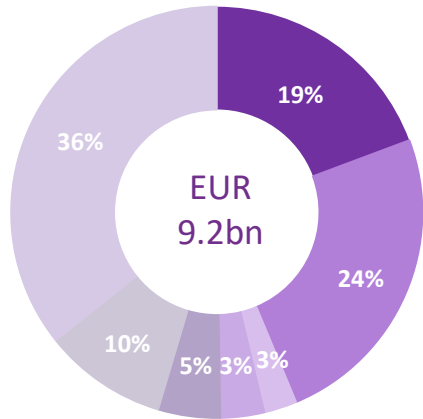
# 2024 Asset Quality

## 2024 Investment Portfolio

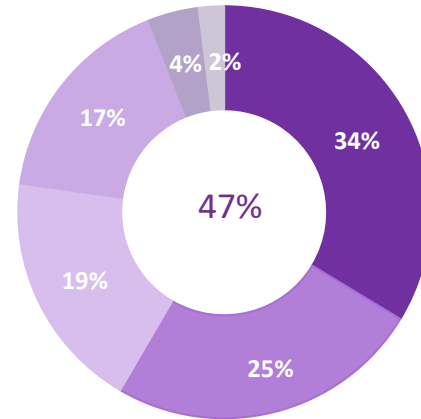


Investment Portfolio by Issuer Type

- European Govies
- Agencies / Supras
- US Govies
- Other Govies
- Covered Bonds
- Financials/Corporate/Securitisation
- Local Authorities



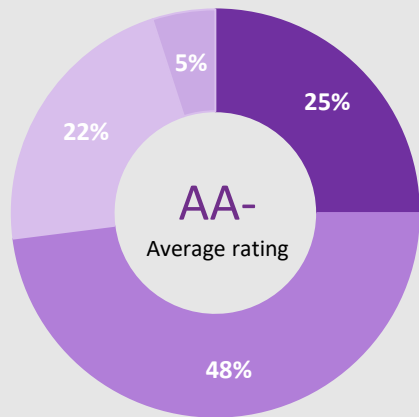
European Govies and Local Authorities by Geographic Region



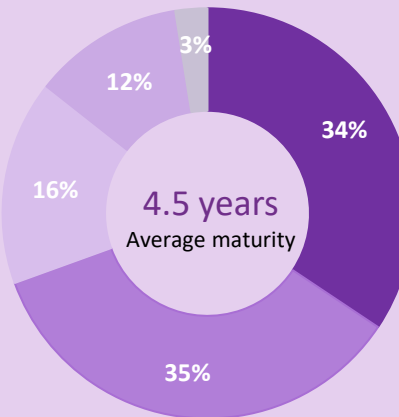
- Belgium
- France
- Austria/Germany/Luxembourg
- Spain/Portugal
- Central Europe
- Other

Investment Portfolio by Rating

- AAA
- AA
- A
- BBB



Investment Portfolio by Maturity



- [0;3yrs]
- [3;5yrs]
- [5;7yrs]
- [7;10yrs]
- >10yrs

# 2024 Solvency and Liquidity

---

# OSB

BANQUE  
INTE  
À LU  
BIL  
1856

# Solvency and Liquidity

## 2024 Solvency Position (1/2)



### Solvency Ratios (in EUR million)

	2023 <sup>2</sup>	2024 <sup>3</sup>	2024 <sup>4</sup>
Weighted risks	11,787	10,970	10,970
Credit risk & CVA <sup>1</sup>	10,609	9,791	9,791
Market risk	24	28	28
Operational risk	1,154	1,151	1,151
Total capital	2,095	1,918	2,050
Common Equity Tier 1	1,586	1,431	1,563
Additional Tier 1	175	175	175
Tier 2	334	313	313
Solvency ratios			
CET1 ratio	13.45%	13.04%	14.25%
Tier 1 ratio	14.94%	14.64%	15.84%
Capital adequacy ratio	17.77%	17.49%	18.69%

(1): CVA - Credit Value Adjustment

(2): After reassessment, the CET1 ratio has been restated from 14.41% to 13.45% as of 31 December 2023 after profit allocation

### CET1 Evolution (2023-2024)

**Common Equity Tier 1 (CET1) after profit allocation** down by EUR 23 million mainly due to the prudential filters up by EUR 103 million offset by the shareholders' equity of EUR 80 million.

### RWA Evolution (2023-2024)

At the end of 2024, the Bank's total **RWAs** amounted to EUR 10,970 million, compared with EUR 11,787 million at the end of 2023, down by 7%. This reduction of EUR 817 million in RWAs is primarily attributable to credit risk for EUR 818 million (including Credit Value Adjustment risk) and due to several key factors:

- The contraction of the commercial loans' portfolio from EUR 16.4 billion to EUR 16.2 billion, in particular a decrease in Specialised Lending;
- The reduction of RWAs resulting from the implementation of a 0% risk weight for bonds reclassified as Central Government exposures as per article 115 (CRR II) and in accordance with the official decision by the ACPR (French Prudential Authority);
- The revaluation of BIL's participation in Luxair group (level 3 equity instrument).

### Overall CET1 Capital Requirements

**Overall Capital Requirements (OCR)** as of 2024 of **9.49%** comprised of CET1 requirement of 4.50%, combined buffer requirement of 3.59% (of which capital conservation buffer of 2.50%, Other Systemically Important Institution (O-SII) buffer of 0.50%, countercyclical capital buffer of 0.59%) and Pillar 2 requirement (P2R) of 1.41%.

(3): 2024 before profit allocation

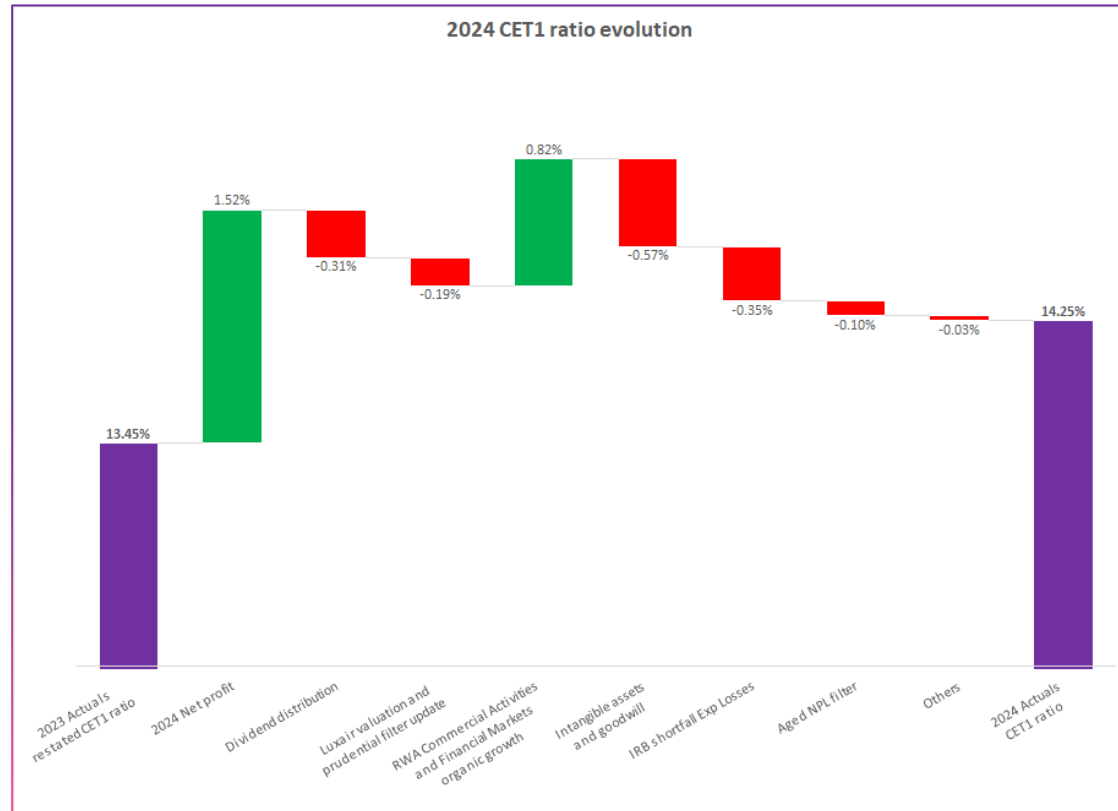
(4): 2024 after profit allocation

# Solvency and Liquidity New

## 2024 Solvency Position (2/2)



### CET1 evolution 2024 after profit allocation



### CRR III impact

BIL has continued to progress in its implementation of the final Basel III rules (commonly referred to as “Basel IV”), implemented in the EU through the Capital Requirements Regulation (CRR III). The first reporting date under the new rules is as at 31 March 2025.

In view of the material changes brought forth under the new capital adequacy framework, BIL has adopted a proactive approach when defining its multi-year strategy and capital management framework.

Similar to peers<sup>1</sup>, BIL foresees an increase in its minimum capital requirements under CRR III, driven in large part by higher Risk Weighted Assets (RWAs) on credit risk. The impact on the Bank’s capital adequacy is nevertheless contained, with capital ratios exceeding minimum regulatory requirements and internal triggers/limits.

### Model Risk Strategy

In 2024, BIL revised its model strategy and decided to further simplify the model landscape in 2025 with the intention to revert to the standardised approach on its Large and Mid-Corporate portfolios as well as on its specialised lending exposures. The Bank already applies the standardised approach for the calculation of the RWAs related to Sovereign and Financial Institution exposures as well as exposures to market risk (moderate trading activity) and operational risk.

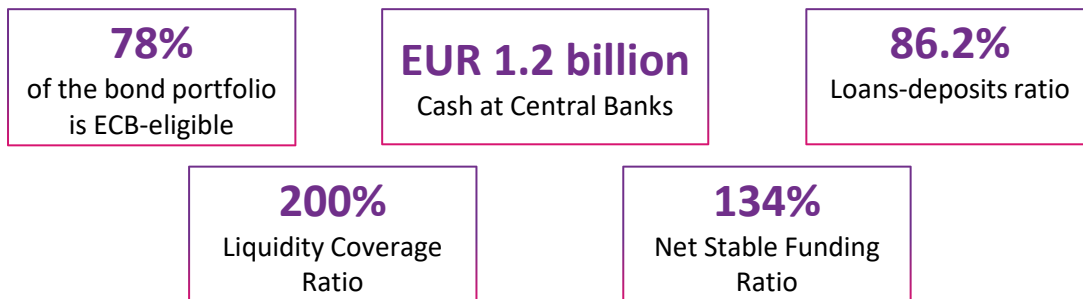
(1): Basel Committee on Banking Supervision – Basel III Monitoring Report (March 2025)

# Solvency and Liquidity

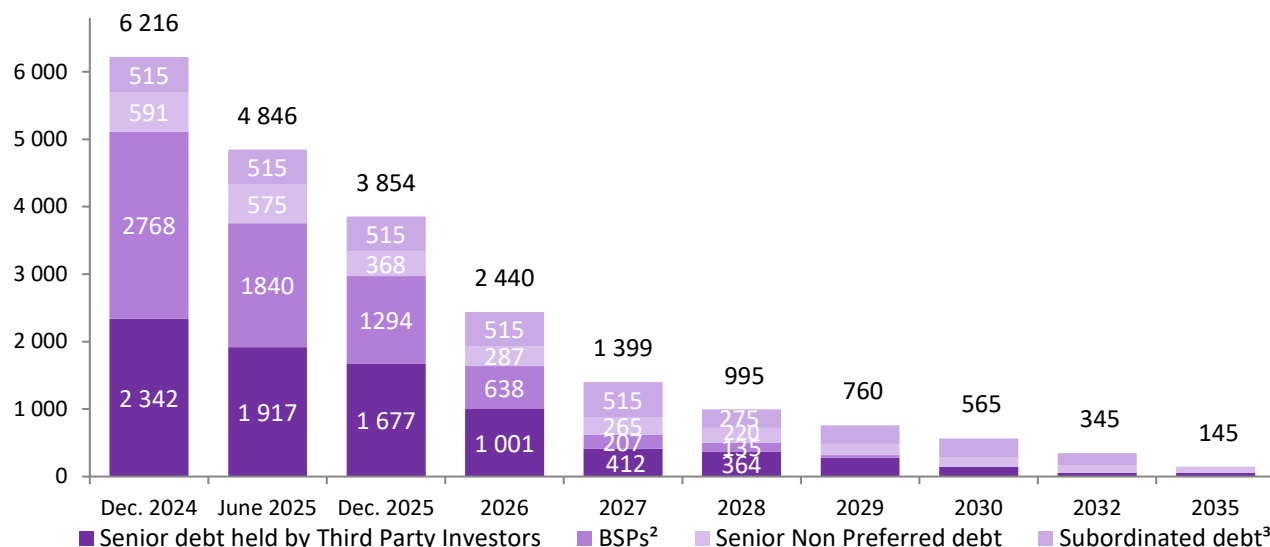
## Liquidity and Funding



### Liquidity



### BIL debt maturity profile<sup>1</sup> (in EUR million)



### BIL's diversified sources of funding

- Standard:
  - Deposits: Retail, Private Banking, Institutional, Corporate
- EMTN Programme:
  - Senior debt to Third Party Investors
  - BSPs (BIL Structured Products): Debt issuances distributed in BIL's own network (Retail, Private Banking, Corporate)
  - Senior Non-Preferred debt
  - Subordinated debt (Tier 2 and AT1)
- Structured Note Issuance Programme:
  - Senior debt issuance programme distributed in BIL's network or through Leonteq's platform
- Swiss Programme:
  - Partnership to join Leonteq's technology platform to leverage on their expertise to create and distribute structured products
- On the 26 February 2025, BIL successfully issued a new Additional Tier 1 (AT1) bond for EUR 300 million at a coupon rate of 7.25%. This bond is an integral part of BIL's strategy to optimise its capital structure and to meet regulatory capital requirements.
- At the same time, BIL initiated a tender offer and open market buy back for the existing AT1 notes of EUR 175 million issued in 2019. The Bank ultimately repurchased a total nominal of EUR 113.4 million, with the outstanding principal amount of these notes amounting to EUR 61.6 million and callable on 14 May 2025.

(1): Excluding Corporate deposits

(2): BSPs – BIL Structured Products (incl. BSPs sold through Leonteq Platform)

(3): EUR 175 million AT1, EUR 50 million Tier 2, USD 100 million Tier 2 maturing 2028, EUR 100 million Tier 2 (callable 2026 and maturing 2031) and EUR 100 million Tier2 (callable 2028 and maturing 2033)

### **S&P Global** Ratings

#### **A-/Negative/A-2**

Standalone Rating (SACP)

bbb+

ALAC Support

+1 notch

Last rating action

30 October 2024

### **MOODY'S** INVESTORS SERVICE

#### **A2/Stable/P-1**

Standalone Rating (BCA)

baa2

Government uplift

+1 notch

Loss Given Failure (LGF)

+2 notches

Periodic review

5 February 2025



# Sustainability strategy

---

06



# Sustainability Strategy

## Overview



« WE ARE AN INTERNATIONAL BANK THAT STRONGLY SUPPORTS THE LOCAL ECONOMY AND COMMUNITIES. WE ENGAGE WITH OUR EMPLOYEES TO TRANSITION TOWARDS SUSTAINABLE BANKING, CONSCIOUS OF OUR RESPONSIBILITY AND WILLING TO DEVELOP PRODUCTS THAT ALLOW US, TOGETHER WITH OUR CLIENTS, TO MAKE A POSITIVE IMPACT AND TO PREPARE SOLID GROUND FOR FUTURE GENERATIONS »

### Pillar 1



Sustainable  
Governance and Strategy

- Governance Framework
- Business Ethics
- Risk Management
- Stakeholder Engagement
- Transparency & Reporting

### Pillar 2



Responsible and  
Sustainable Products  
and Services

- Impact Analysis
- Sustainable Products
- Client Education
- Transition Facilitation

### Pillar 3



Responsible  
Employer

- Diversity & Inclusion
- Health & Well-Being
- Professional Development
- Dialogue & Engagement
- ESG Culture

### Pillar 4



Positive  
Impact

- Philanthropic Approach
- Environmental Impact Reduction
- Future Generations

### Pillar 1<sup>1</sup> – Sustainable governance and strategy

Structure the organisation to face ESG (Environment, Societal, Governance) challenges and to support the bank's long-term growth and stability

### Pillar 2<sup>1</sup> – Responsible and sustainable products and services

Develop a responsible product and service offering to both create value for clients and support the transition to sustainability

### Pillar 3<sup>1</sup> – Responsible employer

With a view to making its employment practices sustainable, BIL is committed to promoting inclusive workplaces, offering training and mobility opportunities to all employees

### Pillar 4<sup>1</sup> – Positive impact

Continue to make a positive impact on the local economy and communities and prepare solid ground for future generations

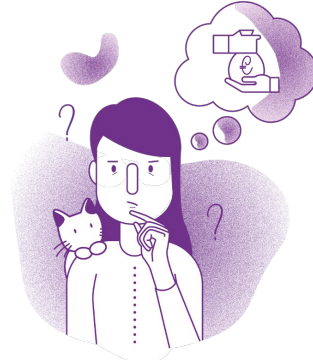
**BIL's ESG Charter describes the bank's commitments** on the above pillars as well as how **ESG considerations are integrated** into the bank's decision-making frameworks, strategies and operations to ensure that sustainability considerations **are embedded in all aspects of the business**, from risk management and investment decisions to product development and stakeholder engagement.

# Sustainability Strategy

## Exclusion policy and ESG integration in investments

### Exclusion Policy

BIL investment services are using an exclusion list targeting individual companies (and their respective bonds and equities) and countries (sovereign debt). Excluded companies are defined as companies presenting unacceptable harm to our society and where engagement makes little sense (ineffective).



#### Thermal Coal

Companies that generate more than 10% of their revenues from coal extraction and/or power generation from coal



#### Oil Sand

All companies that derive more than 5% of their revenues from oil sand extraction



#### Controversial Weapons

Zero tolerance towards investing in companies involved in controversial weapons activities.



#### Controversial Behaviour

Companies that violate the United Nations Global Compact Principles covering human rights, labor rights, environment and corruption & bribery considerations



#### Serious Violations

Countries that have serious violations with regard to political stability or where the governance structure is deemed as unsustainable

### ESG Integration

- Integrating environmental, social and governance (ESG) factors results in better-informed investment decisions and/or recommendations
- BIL investment services apply ESG non-financial factors as part of their analysis to identify material risks and growth opportunities



# Sustainability Strategy

## Recent Achievements & 2025 Targets

### 2024 Achievements

- 
- ✓ **Focus on regulatory compliance:** SFDR, MIFID, Integration of climate risks, CSRD.
  - ✓ **Definition of BIL's Sustainable Investment Framework**
  - ✓ **Continuous improvement** of risk assessment framework, with notably the development of a **Transition Assessment Tool** and **key ESG Risks Indicators** integrated in the bank's **ESG Dashboard**
  - ✓ **Systematic integration of EPC** in mortgage processes.
  - ✓ **Definition of BIL's Transition Plan with related decarbonisation targets and actionable strategies**
  - ✓ **Renewal of BIL's INDR** (Institut National pour le Développement durable et la Responsabilité sociale) **corporate label**
  - ✓ **ESG Culture Development** through dedicated ESG trainings (Climate Risks, ESG awareness, Diversity...)

### 2025 Targets

- 🎯 Implement **BIL's Transition Plan**
  - Pursue reflections **on climate strategy**, sectorial implications and impact on business model and strategy.
  - **Support individual and corporate clients** in their own transition
  - Continue to develop **ESG Risk Framework and assessment tools**.
- 🎯 Continue to develop **ESG offering and linked pricing reflections**.
- 🎯 Enhance **ESG reportings** and ensure transparency towards stakeholders on the bank's ESG performance.
- 🎯 Ensure **transparency** on bank's governance and ESG policies.
- 🎯 Enhance **ESG Data Governance**
- 🎯 Work on **Culture & Training**

### ESG Frameworks & Labels





# Green Bond Framework

---

# 07



# Green Bond Framework

## Overview

### Rationale

- Opportunity to promote and support the long-term development of sustainable solutions through financing sustainable innovations and services in line with the UN Sustainable Development Goals (SDG) 2030 agenda
- Ensure that clients have access to financing that helps them to pursue the transition to an environmentally sustainable future
- Commitment to support the growth of the sustainable finance market, a critical tool to meet the commitments of the Paris Agreement on global climate action and to address investors' willingness to finance sustainable activities
- **Primary focus to channel financing towards energy-efficient real estate in Luxembourg**

### Green Bond Principles

#### Use of Proceeds

##### Green Buildings

- Financing of refurbishment, acquisition and ownership of existing or future energy-efficient residential buildings in Luxembourg

*An independent advisory firm has been mandated to define robust eligibility criteria in Luxembourg*

#### Management of Proceeds

- Proceeds managed on portfolio basis
- Allocation period of 2 years on best effort basis
- Lookback period of 3 years
- Unallocated proceeds held in accordance with BIL's investment guidelines

#### Process for Asset Evaluation and Selection

- Dedicated process for eligible loan identification, selection and monitoring according to Use of Proceeds criteria
- Green Bond Committee chaired by Chief Financial Officer in charge of allocation of Green Bond proceeds to Eligible Portfolio

#### Reporting

- Annual allocation and impact report published on BIL's website
- Eligible Portfolio environmental impact assessment performed by independent advisory firm



Has provided a Second Party Opinion on the Framework and is of the opinion that the Banque Internationale à Luxembourg Green Bond Framework is credible and impactful and aligns to the four core components of the Green Bond Principles 2021



Sustainalytics considers that investments in the eligible category will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDGs 7 and 11

BIL's Green Bond Committee will be responsible for the managing and tracking of proceeds via an internal tracking system. This is in line with market practice

Sustainalytics considers that investments in the eligible category will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDGs 7 and 11

BIL has also committed to an independent review of its annual reporting, which is in line with best market practice



### Eligible Project Category



### Eligibility Criteria

- ✓ Buildings either with an **Energy Performance Certificate (EPC) level at least equal to “A” or belonging to the top 15% most energy-efficient buildings** of the national building stock and demonstrated by adequate evidence<sup>1</sup>
- ✓ Buildings with **Primary Energy Demand (PED) at least 10% lower than the relevant national threshold** set for nearly zero-energy building (NZE) requirements
- ✓ Buildings that will achieve or have achieved, after refurbishment, a reduction of **primary energy demand (PED) of at least 30% in comparison to the performance of the building before renovation** or comply with the applicable requirements for major renovations of the EPBD (Energy Performance of Buildings Directive)



### UN SDGs



Target 7.3



Target 11.3



### Environmental Objective

Substantially contribute to EU Taxonomy environmental objective n°1 “Climate Change Mitigation” (Article 10) by improving energy efficiency, except for power generation activities<sup>2</sup>

### Exclusion Criteria

- ✗ **Nuclear or fossil fuel generation** notably including thermal coal (extraction & power generation) and oil sands extraction
- ✗ **Controversial weapons** anti-personnel landmines, cluster bombs, depleted uranium weapons, chemical weapons, biological weapons and white phosphorous weapons
- ✗ **Gambling, casinos and related businesses**
- ✗ **Tobacco**

(1): BIL has engaged an external consultant to define the top 15% of the national building stock and NZEB-10% in Luxembourg. The results of the assessment will be published on BIL's website in the following section:

<https://www.bil.com/en/bil-group/investor-relations/Pages/index.aspx>

(2): as referred to in Article 19(3) <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32020R0852&from=EN>

# Green Bond Framework

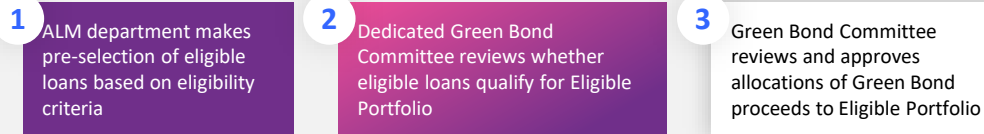
## Process for project selection, evaluation and management of proceeds

### Process for project selection and evaluation

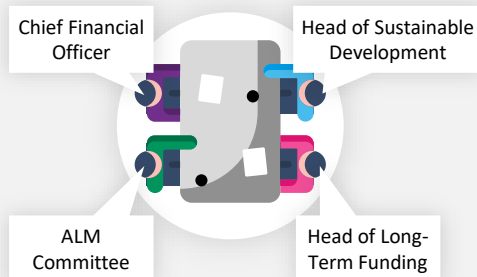
#### Governance Guidelines

- Loans included in the Eligible Portfolio must comply with BIL's internal policies aimed at mitigating known material social risks and BIL's regular credit policies

#### Eligible loans identification process



#### Green Bond Committee

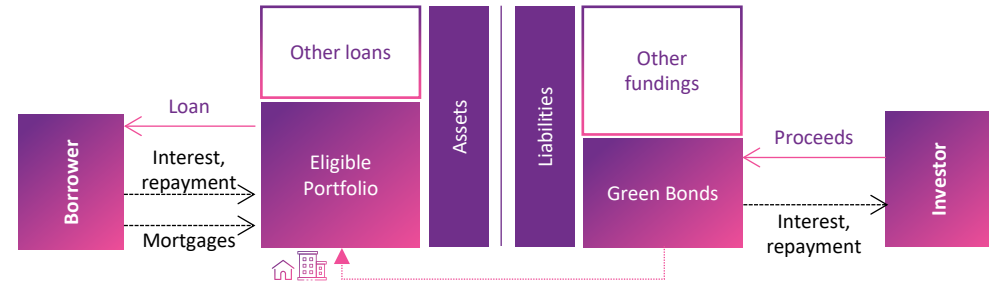


#### Responsibilities

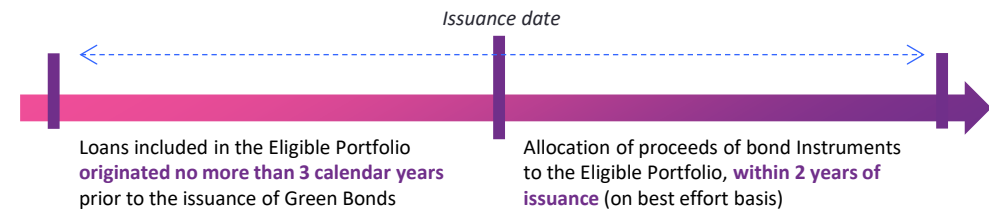
- Review and approve the selection of eligible loans included in the Eligible Portfolio
- Monitor external reviews
- Review and approve Green Bond reporting
- Address changes in Eligible Portfolio and put forward potential alternative eligible loans
- Monitor evolutions of sustainable finance regulation

### Management of Proceeds

#### Aggregated Portfolio Approach



- BIL will strive to maintain an aggregate amount of eligible loans in the Eligible Portfolio that matches or exceeds the balance of net proceeds of all outstanding green bonds
- Pending allocation, unallocated proceeds will temporarily be invested in accordance with BIL's investment guidelines in cash, deposits and money market instruments or any other liquid short-term marketable instruments



# Green Bond Framework

## Allocation and Impact Report

### Allocation Report


- Overview of green bonds outstanding
- Size of the Eligible Portfolio
- Balance of unallocated proceeds
- Share of new and existing eligible loans including split by year of origination and share of financing vs refinancing

### Impact Report

- Estimated annual financed GHG emissions and avoided GHG emissions (tCO<sub>2</sub>e)
- Estimated ex-ante annual energy consumption and energy savings (KWh/sqm)
- Number of buildings and estimated total floor area (sqm) financed

*BIL will aim to align its reporting with the model proposed by the Handbook - Harmonised Framework for Impact Reporting as published by the International Capital Markets Association (ICMA)*

### External Review

- Second Party Opinion provided by  SUSTAINALYTICS
- Verification of annual Green Bond report by an external auditor until full allocation of the proceeds and in case of any material changes to the allocation
- External auditor's assurance reports included in the annual reporting as disclosed on BIL's website

### Environmental impact evaluation

- National reference benchmarks to determine the environmental impact of the Eligible Portfolio and assessment of the Eligible Portfolio and impact reporting provided by Drees & Sommer
- BIL commits to publish annually a Green Bond Report which is made of an allocation report and an impact report on an aggregated basis
- The annual report will be made available on BIL website and updated annually at least until full allocation

# Key Takeaways

---

08



# Key Takeaways

**Systemic bank** in the Grand Duchy of Luxembourg **rated AAA (S&P / Moody's / Fitch)**

**Leading independent bank** in Luxembourg with an excellent brand

**Long-term commitment** from both shareholders

**Strong capital and liquidity** positions

Solid profitability with an 9.33% return on tangible equity in 2024

Official signatory of the **UN Principles for Responsible Banking (UNPRBs)** and UN Global Compact





# Appendix

---



09



# Governance

## Board of Directors as at December 2024



**Marcel Leyers <sup>1</sup>**  
Chair



**Jing Li <sup>2 3</sup>**  
Vice-Chair



**Maurice Lam**  
Director



**Peng Li <sup>3</sup>**  
Director



**Charles Q. Li**  
Director



**David Pilgrim <sup>5</sup>**  
Director



**Pierrot Rasqué <sup>4</sup>**  
Director

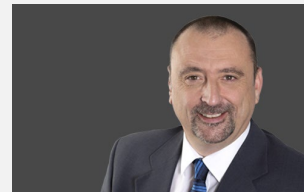


**Vincent Thurmes <sup>4</sup>**  
Director



**Chris van Aeken**  
Director

### Staff Representatives



**Ashley Glover**  
Director  
Staff Representative



**Benoît Migeaux**  
Director  
Staff Representative



**Claude Steffen**  
Director  
Staff Representative



**Frank Block <sup>6</sup>**  
Director  
Staff Representative

(1): Chair of the Board of Directors as of 1<sup>st</sup> May 2024

(3): Legend Holdings' directors

(2): Interim Chair of the Board of Directors up to 30<sup>th</sup> April 2024, Vice-Chair of the Board of Directors as of 1<sup>st</sup> May 2024

(4): Grand Duchy of Luxembourg directors

(5): Independent director as of 24<sup>th</sup> July 2024

(6): Director - Staff Representative as of 30<sup>th</sup> September 2024

Acronym	Definition
ACPR	Autorité de Contrôle Prudentiel et de Résolution
ALAC	Additional Loss-Absorbing Capacity
BCA	Baseline Credit Assessment
BSP	BIL Structured Products
CET1	Common Equity Tier 1
CEDEL	Centre de Livraison des Valeurs Mobilières
CRR III	Capital Requirements Regulation
CSRD	Corporate Sustainability Reporting Directive
CSSF	Commission de Surveillance du Secteur Financier
CVA	Credit Value Adjustment
ECB	European Central Bank
EPC	Energy Performance Certificate
ESG	Environmental, Social and Governance
GHG	Greenhouse Gas
LGF	Loss Given Failure

Acronym	Definition
MCRE	Maximum Credit Risk Exposure
MiFID	Markets in Financial Instruments Directive
NPL	Non-Performing Loans
OCR	Overall Capital Requirement
O-SII	Other Systemically Important Institution
PSE	Public Sector Entities
P2R	Pillar II Requirement Buffer
RWAs	Risk Weighted Assets
SACP	Standalone Credit Profile
SFDR	Sustainable Finance Disclosure Regulation
SME	Small and Medium Enterprises

# Glossary

## Alternative Performance Measures (APM)



APM	Definition	Reason for use
(Core) Operating Revenues	Operating revenues = Interest and dividend income + Fee income + Other income Core = operating revenues excluding non-recurring items as presented on slide 16.	Representative measure of BIL's operating performance.
(Core) Operating Expenses	Operating expenses = Staff expenses + General expenses + Amortisation Core = operating expenses excluding non-recurring items as presented on slide 16.	Representative measure of BIL's operating cost.
(Core) Gross Operating income	Gross operating income = Operating revenues - Operating expenses Core = gross operating income excluding non-recurring items as presented on slide 16.	Representative measure of BIL's operating performance.
(Core) Cost of Risk	Cost of risk : net impairment on financial instruments and provisions for credit commitments Core = cost of risk excluding non-recurring items as presented on slide 16.	Representative measure of BIL's cost of risk level
(Core) Operating income	Operating income = Gross operating income net of impairments Core = operating income excluding non-recurring items as presented on slide 16.	Representative measure of BIL's operating performance.
(Core) Operating net income before tax	Net income = Operating income before tax expenses Core = net income excluding non-recurring items as presented on slide 16.	Representative measure of BIL's operating performance before tax.
(Core) Cost/Income Ratio (CIR)	(Core) Cost to income ratio = (Core) operating expenses divided by (Core) operating revenues Core = cost to income ratio excluding non-recurring items as presented on slide 16.	Measure of operational efficiency in the banking sector.
Non-Performing Loans	Total Stage 3 outstanding loans and advances divided by total gross loans and advances as presented on slide 20.	Representative measure of the risk level in % of the volume of outstanding loans.
Coverage Ratio	Expected credit losses divided by the total outstanding of related loans by stage as presented on slide 20.	Measure of provisioning for loans.
Return on Tangible Equity (ROTE)	Net income after tax less other equity instruments divided by the average shareholders' equity at the beginning of the year and the end of the period less intangible assets, goodwill and other equity instruments as presented on slide 6 and slide 37. Core = ROTE excluding non-recurring items as presented on slide 6.	Measure of profitability in relation to shareholders' equity.

**Nico Picard**  
**Chief Financial Officer**  
T: (+352) 45 90 36 17  
nico.picard@bil.com

**Jérôme Nèble**  
**Chief Risk Officer**  
T: (+352) 45 90 49 97  
jerome.neble@bil.com

**Olivier Habay**  
**Head of Long-Term Funding**  
T: (+352) 45 90 24 85  
olivier.habay@bil.com

**Didier Le Gloan**  
**Head of Financial Planning**  
T: (+352) 45 90 55 34  
didier.legloan@bil.com

**Esther Bauer**  
**Head of Strategy**  
T: (+352) 45 90 49 59  
Esther.EB.Bauer@bil.com

**Alessandra Simonelli**  
**Head of Sustainable Development**  
T: (+352) 45 90 28 86  
alessandra.simonelli@bil.com



Banque Internationale  
à Luxembourg SA  
69, route d'Esch  
L-2953 Luxembourg  
RCS Luxembourg B-6307  
Tel.: (+352) 4590-1  
www.bil.com



DISCLAIMER – The information contained in this document is provided purely for information purposes.  
BIL may not be held responsible for the use of this information and of its direct or indirect consequences