



# Annual Report 2023





# Contents

## 01.

MANAGEMENT REPORT	04
Foreword	06
BIL Suisse Profile	07
Status Report	08
Corporate Governance	09

## 02.

ANNUAL ACCOUNTS	14
Balance sheet	16
Off-balance sheet transactions	17
Income statement	18
Presentation of the statement of changes in equity	19
Notes to the financial statements	20
Proposal to the Annual General Meeting	40
Report of the statutory auditor	41
Disclosure on capital and liquidity	43



A black and white photograph of a modern office interior. On the left, a large white grid shelving unit holds several potted plants. In the background, glass-walled office cubicles are visible, containing desks and chairs. The ceiling has recessed circular lights. In the foreground, a glass railing with a metal handrail is partially visible. The overall atmosphere is clean and professional.

# 01. Management report



# Foreword BIL Suisse 2023 report

“ We prioritized investments in our talented workforce and cultivated collaboration with BIL Group teams to deliver expert services to our clients. ”

2023 was a complex year, be it for its geopolitical challenges, macroeconomic events or for BIL's own transformation and development. The Bank has risen to these challenges by staying on track of its strategic roadmap, embracing emerging trends, new technologies and evolving market dynamics. The completion of a massive IT changeover did not detract our teams from catering to clients' needs and defending our market share. All BIL teams, in Luxembourg, Switzerland and China are focused on their clients, be they individuals, small and large businesses and entrepreneurs.

BIL's business resilience, and its sound financial performance in 2023, with a net profit of EUR 202 million euros, demonstrated the relevance of our 2020-2025 strategic plan aiming at building long-term sustainable growth. BIL Suisse, an essential pillar of the Group's International Wealth Management excellence, exceeded its targets, achieving robust net profit close to CHF 14 million, indicating the success of our strategy. Throughout 2023, our commitment remained steadfast towards our clients, as evidenced by the development of our Wealth Management capabilities and the expansion of our service offerings tailored for entrepreneurs and corporate clients, including lending and advisory services. We prioritized investments in our talented workforce and cultivated collaboration with BIL Group teams to deliver expert services to our clients. Moreover, we reinforced robust risk management practices and instilled a strong compliance culture throughout the organization. These efforts collectively contributed to sustainable growth, a trajectory we are poised to maintain in the months and years ahead.

As uncertainty and a fast-paced business environment have become the norm and not the exception, BIL will continue to be the reliable partner it has always been for all its clients, for the economy and for society as a whole. This is rooted in our DNA since the inception of the Bank in 1856.



**Marcel Leyers**  
Chairman of the Board of Directors,  
BIL Suisse



**Hans-Peter Borgh**  
Chief Executive Officer,  
BIL Suisse

# BIL Suisse Profile

Banque Internationale à Luxembourg (Suisse) SA is a 100% subsidiary of Banque Internationale à Luxembourg SA, the oldest private bank in the Grand Duchy of Luxembourg. BIL Suisse was founded in 1985 and has offices in the three main financial centres in Switzerland: Zurich, Geneva, Lugano as well as a world-wide network, including Beijing and Hong Kong.

At BIL Suisse, we have in-depth knowledge of financial markets and products, enabling our clients to take advantage of numerous investment opportunities as well as giving them privileged access to international financial centres.

Clients benefit from the bank's traditional Swiss Wealth Management offering, our strong European roots and BIL balance sheet and credit offering, as well as proven expertise servicing clients in the Eastern hemisphere. BIL Suisse offers a full range of banking services for wealthy families, entrepreneurs and independent financial advisers through its wealth management and Corporate & Institutional Banking (CIB) offering.

For private clients, BIL Suisse offers integrated financial and nonfinancial solutions such as asset structuring, credit solutions, wealth planning as well as capital protection. The services take a client's personal situation into account and can be tailored to capital creation or capital utilization needs.

Additionally, Professional clients are able to benefit from a selection of CIB solutions, including corporate financing, syndicated loans and advisory services. Further services include administration, reporting and custody services, direct access to the trading floor and financial products such as open architecture solutions and investment vehicles to best serve their clients.



# Status Report from the Executive Committee prepared on 23<sup>rd</sup> of February 2024

After the robust post-pandemic expansion in 2021 and 2022, the economy lost momentum in 2023. Europe faced multiple macroeconomic challenges, induced by on-going conflict in Eastern Europe and in the Middle East. Uncertainty was a marker of 2023 and it should remain high as key elections are due in many countries in 2024. The rate hike campaigns launched in 2022 by monetary authorities to curb inflation reached a peak during the second half of 2023, contributing to the slowdown of economic activity. In Switzerland, the banking market was shaken by the demise of one of its largest banks, Credit Suisse.

Against this background, 2023 was a very successful and rewarding year for BIL Suisse: the Marco Polo Plan, our 5-year strategic plan initiated in 2020, remains well on track and bears fruit. BIL Suisse has achieved or outperformed its annual targets for the year and posted a net profit of CHF 13.99 million, while it continued its success with a focus on entrepreneurs and active wealth. At the same time, we deepened our geographic reorientation towards key markets China, Eastern Europe, and the Middle East, emphasising our expertise in servicing clients in the Eastern hemisphere.

In 2023 Net New Money (NNM) amounted to CHF 319 million. Total client assets, managed and under custody, increased to CHF 4,384 million. Our credit offering remains a central pillar of our revenue streams; while credit utilization remained under pressure from elevated rates, our offering nevertheless continued to attract client demand and our loan penetration in wealth management reflects this competitive offering.

In 2023, we further enhanced our entrepreneur offering allowing us to be a one-stop shop for entrepreneurial clients: we now pride ourselves on an ability to offer financing solutions for the entrepreneur and his or her enterprise, from structured finance, corporate finance to merger and acquisitions advisory. This was evidenced by a number of landmark transactions that underlined our capabilities in corporate and structured finance as a valuable add-on to our proven expertise in Wealth Management. We firmly believe that combining our traditional Swiss wealth management with our strong balance sheet capabilities based on our European roots in the Grand Duchy of Luxembourg will fuel sustainable growth in the years to come.

Furthermore, we have continued to invest in our staff composition with a range of targeted new hires that further drive the upgrading of our offering to clients. As the industry continues to evolve, BIL Suisse has remained committed to improve and bring in skills that meet the demands of our exacting clients and the changing industry. Specifically in 2023, we have upgraded our Investment Advisory team, strategically hired Relationship Managers and further invested in support functions through new hires and training.

All these developments resulted in a strong growth in revenues from a broader range of capabilities, together with improved operational scalability leading to a profit over the financial year.

The bank remains well capitalized, with capital ratios well above the regulatory minimum. At the end of 2023: the CET1 ratio stood at 35.72 % versus 2022: 29.4 %, as we added retained earnings and further improved the risk weighting of our loan book. Our leverage ratio reflected this strong capitalization at 13.5% at year end. In addition, BIL Suisse maintains a strong liquidity position, with a liquidity coverage ratio of 221% at the end of 2023, which is also well above the minimum regulatory requirements.

BIL Suisse posted a CHF 13.99 million profit exceeding the ambitious targets set in our long-term strategy. This result was achieved with revenues of nearly CHF 60 million representing an increase of close to 6% to the previous year, emphasising the strong momentum of our transformation. As costs remain well controlled, our Cost-to-Income ratio further improved to 81.62%.

With these results, we find ourselves well positioned to continue to deliver on our journey of strategic transformation. We aim to deliver outstanding service to our valued client base, while continuing, on our emphasis on our growth markets. We are pleased to increasingly be recognised as an employer of choice for our staff that remains fully dedicated to providing outstanding solutions and services to our growing group of clients.

# Corporate Governance

## BOARD OF DIRECTORS

**Marcel Leyers, 1962, Chairman**

### Education

Diploma in Management, University of Luxembourg

### Professional history

- Member of the Board of Directors of BIL Suisse as of December 2019
- Chairman of the Board of Directors of BIL Suisse as of January 2020
- Appointed Chief Executive Officer of Banque Internationale à Luxembourg SA and Member of the Board of Directors in May 2019
- Previously responsible for Corporate and Institutional Banking department and development of Services for Luxembourgish market across all business lines at Banque Internationale à Luxembourg SA

**Alain Le Fort\*, 1953, Vice Chairman**

### Education

Geneva University Law School, lic. iur.  
Admitted to the Geneva Bar (1977)

### Professional history

- Member of the Board of Directors of BIL Suisse as of June 2002
- Vice Chairman of the Board of Directors of BIL Suisse as of June 2014

**Bernard Mommens, 1960, Member**

### Education

LL.M., Leuven University, Belgium

### Professional history

- Member of the Executive Committee of Banque Internationale à Luxembourg SA and Secretary General and General Counsel of the BIL Group as of 2007
- Over the past 35 years held senior positions in banking groups in Belgium and Luxembourg

\* Independent Member

## Dieter C. Hauser\*, 1955, Member

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### Education

Master of Law and Dr. iur., University of Zurich, Switzerland Attorney at law, Canton of Zurich, Switzerland

### Professional history

- Member of the Board of Directors of BIL Suisse as of October 2015 and Chairman of the BACRC of BIL Suisse as of January 2016
- Founder and Managing Partner of icomply Inc., a Compliance Consultancy firm in the financial industry, as of 2000
- Previously CEO and held Board Member positions in subsidiaries of and legal advisor to global Swiss banking group

## Nico Picard, 1964, Member

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### Education

PhD in Mathematics, University of Nancy I, France

### Professional history

- Member of the Board of Directors of BIL Suisse as of July 2020
- Appointed Chief Financial Officer and Member of the Management Board of Banque Internationale à Luxembourg SA in 2017
- Previously responsible for Finance and Asset and Liability Management at Banque Internationale à Luxembourg SA
- Over the past 32 years held various positions in a variety of functions in banks in France and Luxembourg

## Chris Van Aeken, 1963, Member

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### Education

MBA, University of Chicago, U.S.  
Applied Economics, Leuven University, Belgium

### Professional history

- Member of the Board of Directors of Banque Internationale à Luxembourg SA as of July 2018
- Previously CEO of Morgan Stanley SA, Switzerland and held a variety of management and board positions in Morgan Stanley Group between 1996 and 2016

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\* Independent Member

## EXECUTIVE COMMITTEE AS PER 31.12.2023

### Hans-Peter Borgh, 1973, Chairman

#### Education

MSc in Management and Organisation Major in Finance and Marketing, University of Groningen, The Netherlands

#### Professional history

- CEO of BIL Suisse as of January 2020
- Member of the Executive Committee of Banque Internationale à Luxembourg SA as of November 2015
- Previously held various leadership positions in International Wealth Management in Luxembourg, Singapore, Hong Kong and other locations.

### Hartmut Vollmer, 1966, Head Wealth Management

#### Education

Dipl. Betriebswirt (lic. oec.), VWA/University of Freiburg

#### Professional history

- Head of Wealth Management of BIL Suisse as of September 2022
- Prior to his appointment as Head of Wealth Management, he held the role of Head of Wealth Management Growth Markets BIL Suisse since April 2021
- Previously held different management functions (Audit, Risk, Controlling, Finance, Operations, Project Management) in Switzerland

### Michiel Haasbroek, 1978, CFRO

#### Education

PhD in East Asian Studies, University Bochum, Germany  
MSc. TiasNimbas Business School, Utrecht, Netherlands  
MA Political Science and History, Trier University, Germany

#### Professional history

- CFRO of BIL Suisse as of September 2022
- Prior to his appointment as CFRO, he held the role of CRO of BIL Suisse since May 2020
- Prior to BIL Suisse held roles as Chief Risk Officer and Alternate Country Executive ABN AMRO Greater China, Chief Risk Officer ABN AMRO Shanghai and various other risk management functions in Asia and Netherlands

### Tobias Kamber, 1974, General Counsel & COO

#### Education

Lawyer, qualified in Switzerland LL.M.,  
Master of Law, USA, California  
Lic. iur., University of Zurich

#### Professional history

- General Counsel & COO of BIL Suisse as of September 2022
- Prior to his appointment as General Counsel & COO, he held the role of General Counsel of BIL Suisse since January 2021
- Broad experience in legal, risk and compliance affairs in Wealth Management while being based in Switzerland and Asia (Hong Kong)
- Prior to BIL Suisse, held various management roles at Julius Baer, including Deputy General Counsel Private Banking, Deputy CRO Intermediaries and Head Legal & Compliance, Hong Kong

CHANGES TO THE EXECUTIVE COMMITTEE IN 2023

Ralph Ebert, 1969, Chief Compliance Officer

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- CCO of BIL Suisse as of June 2019 until 19.12.2023

INTERNAL AUDIT

Xavier Barthes, 1974, General Auditor

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Education

Master’s degree INSEEC Business School, Bordeaux, France

Professional history

- Internal Auditor of BIL Suisse as of January 2019
- Commenced working for BIL Suisse in 2016
- Over 20 years' experience in Financial Services
- Prior to BIL Suisse, held roles as auditor, risk manager and compliance officer in both France and Switzerland in various financial institutions and with a reputable accountancy firm

EXTERNAL AUDIT

PricewaterhouseCoopers AG, Zurich

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## 02. Annual accounts

**BIL**  
1856



**BIL**  
1856

# Balance sheet

## as of 31 December 2023

ASSETS	Notes	31/12/2023	31/12/2022
(in Swiss francs)			
Liquid assets		60.572.103	146.366.714
Amounts due from banks		44.391.834	42.158.430
Amounts due from customers	3.2/3.13	448.912.853	438.727.364
Mortgage loans	3.2	94.281.211	92.425.418
Positive replacement values of derivative financial instruments	3.3	3.084.148	2.000.583
Financial investments	3.4	222.188.159	278.690.790
Accrued income and prepaid expenses		5.423.105	6.436.861
Participations	3.5/3.6	-	-
Tangible fixed assets	3.7	3.317.188	3.775.767
Intangible assets	3.8	692.776	983.356
Others assets	3.9	177.041	281.456
<b>TOTAL ASSETS</b>		<b>883.040.418</b>	<b>1.011.846.739</b>
Total subordinated assets		-	-
<b>LIABILITIES</b>	<b>Notes</b>	<b>31/12/2023</b>	<b>31/12/2022</b>
(in Swiss francs)			
Amounts due to banks		315.473.486	142.399.349
Amounts due in respect of customer deposits		395.588.332	703.177.452
Negative replacement values of derivative financial instruments	3.3	3.968.273	5.718.879
Accrued expenses and deferred income		19.644.639	19.312.483
Other liabilities	3.9	2.206.607	4.790.094
Provisions	3.13	2.415.839	6.697.542
Share capital	3.14/3.16	85.000.000	85.000.000
Statutory capital reserves		52.000.000	52.000.000
<i>of which tax-exempt capital contribution reserves</i>		<i>52.000.000</i>	<i>52.000.000</i>
Statutory retained earnings reserves		-	-
Voluntary retained earnings reserves		-	-
Profit carried forward / loss carried forward		(7.249.060)	(11.272.149)
Profit / loss (result of the year)		13.992.302	4.023.089
<b>TOTAL LIABILITIES</b>		<b>883.040.418</b>	<b>1.011.846.739</b>

# Off-balance sheet transactions

(in Swiss francs)	Notes	31/12/2023	31/12/2022
Contingent liabilities	3.2/4.1	18.297.775	29.635.323
Irrevocable commitments	3.2	3.930.371	30.721.190

# Income statement

## INCOME STATEMENT FROM JANUARY 1 TO DECEMBER 31

(in Swiss francs)

	Notes	2023	2022
<b>Result from interest operations:</b>			
Interest and discount income	5.1	24.743.411	14.865.926
Interest and dividend income from financial investments		4.599.945	1.746.225
Interest expense		(5.880.538)	(319.799)
<b>Gross result from interest operations</b>		<b>23.462.818</b>	<b>16.292.352</b>
Changes in value adjustments for default risks and losses from interest operations		25.421	(40.588)
<b>Subtotal net result from interest operations</b>		<b>23.488.239</b>	<b>16.251.764</b>
<b>Result from commission business and services:</b>			
Commission income from securities trading and investment activities		27.673.048	28.300.161
Commission income from lending activities		461.447	168.905
Commission income from other services		3.692.833	6.455.677
Commission expense		(4.223.297)	(5.535.295)
<b>Subtotal result from commission business and services</b>		<b>27.604.031</b>	<b>29.389.448</b>
<b>Result from trading activities</b>	<b>5.1</b>	<b>4.420.590</b>	<b>5.183.266</b>
<b>Other result from ordinary activities:</b>			
Other ordinary income		-	-
Other ordinary expenses		-	-
<b>Subtotal other result from ordinary activities</b>		<b>-</b>	<b>-</b>
<b>Operating expenses:</b>			
Personnel expenses	5.2	(30.320.110)	(30.621.683)
General and administrative expenses	5.3	(14.988.600)	(14.904.830)
<b>Subtotal operating expenses</b>		<b>(45.308.710)</b>	<b>(45.526.513)</b>
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets	3.7/3.8	(792.342)	(787.459)
Changes to provisions and other value adjustments and losses	3.13/5.4	4.629.027	(119.831)
<b>Operating result</b>		<b>14.040.835</b>	<b>4.390.675</b>
Extraordinary income	5.4	291.467	162.414
Extraordinary expenses	5.4	-	-
Taxes	5.5	(340.000)	(530.000)
<b>Profit / loss (result of the year)</b>		<b>13.992.302</b>	<b>4.023.089</b>

# Presentation of the statement of changes in equity

(In CHF thousands)

	Share capital	Statutory capital reserves	Statutory retained earnings reserves	Voluntary retained earnings reserves	Profit carried forward / loss carried forward	Profit / loss (result of the period)	TOTAL
<b>Equity at start of current period</b>	<b>85.000</b>	<b>52.000</b>	<b>-</b>	<b>-</b>	<b>(11.272)</b>	<b>4.023</b>	<b>129.751</b>
Capital increase / decrease	-	-	-	-	-	-	-
Other contributions / other capital paid in	-	-	-	-	-	-	-
Dividends and other distributions	-	-	-	-	-	-	-
Other allocations to (transfers from) the other reserves	-	-	-	-	4.023	(4.023)	-
Profit / loss (result of the period)	-	-	-	-	-	13.992	13.992
<b>Equity at end of current period</b>	<b>85.000</b>	<b>52.000</b>	<b>-</b>	<b>-</b>	<b>(7.249)</b>	<b>13.992</b>	<b>143.743</b>

# Notes to the financial statements

## 1. Description of business activities and staff situation

### GENERAL

Banque Internationale à Luxembourg (Suisse) SA (hereafter "the Bank") is active in Wealth Management and Corporate and Institutional Banking in Zurich, Geneva and Lugano.

### BUSINESS PROFILE

Asset Management for private clients is the main activity of the Bank. To complement its comprehensive entrepreneur offering, the bank further offers corporate finance advisory services and corporate lending.

### CREDIT BUSINESS

The Bank grants loans mainly in the form of Lombard loans, residential mortgages and a select number of corporate loans.

### PERSONNEL

The Bank employs 113 (2022: 104) persons (full-time equivalents).

### RISK ASSESSMENT

In compliance with the legal requirements, the Board of Directors is presented with the risk appetite statement in the risk report. This allows the Board to examine the main risks to which the bank is exposed.

### OUTSOURCING

Services in connection with the preparation of tax statements, payroll accounting, back-office operations as well as the operational, technical maintenance and backup aspects of the main banking tool are outsourced to service providers in Switzerland.

## 2. Accounting and valuation principles

### 2.1. Accounting principles

#### GENERAL

The bookkeeping, accounting and valuation principles are based on the Swiss Code of Obligations, the Banking Act and the related ordinance and the guidelines (Circular 2020/1 as of 31st October 2019) as well as the accounting ordinance issued by the Swiss Financial Market Supervisory Authority (FINMA). The financial statements have been prepared on a going concern basis and are generally accounted for at going concern values.

#### RECORDS OF BUSINESS TRANSACTIONS

All transactions concluded by the Bank are included in the balance sheet and/or income statement respectively on the transaction date.

### 2.2 Valuation Principles

#### LIQUIDITY, SHORT-TERM LIABILITIES

These items are stated in the balance sheet at nominal value. Amounts due from banks and clients.

#### AMOUNTS DUE FROM BANKS AND CLIENTS

These elements are recognised in the balance sheet at their nominal value, except non-monetary transactions e. g. precious metal accounts, which are valued at market value. Known and foreseeable risks are reflected in value adjustments under changes in value adjustments for default risks and losses from interest operations.

#### FINANCIAL INVESTMENTS

Interest-bearing securities held-to-collect are valued at their acquisition cost adjusted for the amortisation of premiums and discounts over their remaining maturity (accrual method). Equity securities are valued using the lower of cost or market price.

## PARTICIPATING INTERESTS

Participating interests are recorded in the balance sheet at their acquisition cost, less required value adjustments.

## TANGIBLE FIXED ASSETS

Fixed assets are recognised at their acquisition costs and are depreciated on a straight-line basis over their estimated useful life as follows:

- |  |                  |
|--|------------------|
| • Proprietary or separately acquired software        | maximum 5 years  |
| • Information technology and communication equipment | maximum 5 years  |
| • Other tangible fixed assets                        | maximum 12 years |

Upon subsequent revaluation, tangible fixed assets are carried in the balance sheet at their acquisition cost, less cumulative depreciation. The depreciation calculation is based on the asset's entire estimated useful life. Depreciation is calculated from the time the item is ready for use. The accounting value is reviewed on each balance sheet date. If necessary, the impairment charges are accounted for in the current period.

## INTANGIBLE ASSETS

Intangible assets are amortised as follows:

- |                           |                 |
|---------------------------|-----------------|
| • Goodwill                | maximum 5 years |
| • Other intangible assets | maximum 5 years |

Extraordinary depreciation is considered when the situation requires it.

## ACCRUED INCOME AND EXPENSES

All profit or loss transactions are accrued or deferred accordingly.

## LIABILITIES TO OWN PENSION FUNDS

The Bank concluded an affiliation agreement with a collective fund to manage the employees' pension plan. This agreement complies with local applicable legal conditions. The Bank bears more than 50% of the local mandatory pension funds' costs in favour of employees and their successors. The Bank has

concluded an insurance policy; the pension plan's liabilities and the assets covering them are held by the insurance company. The organisation, management and financing of the pension plan comply with the legal and regulatory framework. The plan is a defined contribution plan.

## VALUATION ADJUSTMENTS AND PROVISIONS

Valuation adjustments are performed to account for recognisable loss risks at closing date in compliance with an appropriate commercial management.

Doubtful debts, i. e. accounts whose debtors are unlikely to fulfill their future obligations, are estimated individually and the related impairment is accounted for by individual valuation adjustments. Off-balance transactions (such as fixed obligations, guaranteed and derivative financial instruments) are also included in the valuation process.

A receivable is considered to be impaired when there is strong evidence that future contractual payments linked to capital and/or interests are unlikely to be received, or each time a payment is 90 days late. Outstanding interests older than 90 days are said to be overdue. The Bank renounces to recognise overdue interests and impaired interests as income and records them directly in "Changes in value adjustments for default risks and losses from interest operations". When interest payments are unlikely to be received, and when, as a result, the scheduling becomes useless, the Bank renounces to record these interests.

The impairment is defined as the difference between receivable book value and the amount which is likely to be received. The latter is estimated taking into account the counterparty risk and the realisation of possible collaterals. If it is expected that the realisation of collateral will take more than one year, the related income is discounted at the closing date.

The Bank does not establish allowances for latent default risks for receivables that are not at risk.

## TAXES

Direct taxes which are still due at the end of the financial year are recorded in the liabilities section of the balance sheet under the heading "Accrued expenses and deferred income".

## CONTINGENT LIABILITIES AND IRREVOCABLE COMMITMENTS

Off-balance sheet items are stated at their nominal value. A provision is made for identifiable risks and recorded under liabilities in the balance sheet.

## DERIVATIVE FINANCIAL INSTRUMENTS

The Bank's derivative financial instruments held for trading are priced at fair value, which is derived from an efficient and liquid market.

Derivative financial instruments are also used for hedging purposes in Asset and Liability Management. Valuation and recording of the latter comply with hedged transactions' valuation and recording.

Positive and negative replacement values of outstanding derivative instruments at closing date are recorded as separate items in the balance sheet.

Derivative instruments' replacement values are also mentioned in the Notes.

## CONVERSION OF FOREIGN CURRENCY ITEMS

In the Bank's financial statements all balance sheet positions held in foreign currencies are calculated at the balance sheet date. Realised and unrealised profits and losses are recognised in the income statement. Foreign currency transactions in the income statement are calculated using the exchange rate valid on the day of transaction.

The exchange rates against the Swiss francs used for converting foreign currency items are as follows:

	Closing rates	
	31/12/2023	31/12/2022
EUR	0.93	0.98
USD	0.84	0.92
GBP	1.07	1.11
JPY	0.59	0.70
PLN	21.34	21.03
XAU	1.740.89	1.677.68

## 2.3 Risk Management

### RISK ASSESSMENT AND RISK POLICY

The Bank pursues a prudent risk policy, which is based on the Banque Internationale à Luxembourg Group principles and policies. It ensures a balanced and favourable risk/reward ratio. In its Risk Management Framework, the Bank defines the risk strategy and expresses this in its Risk Appetite.

The Board of Directors (BoD) signs off on a yearly basis the institution-wide Risk Management Framework and Risk Appetite Framework. It is presented on a quarterly basis with a firm-wide Risk Report that details all important risk dimensions, including the Internal Control Framework. The Board Audit, Risk and Compliance Committee (BACRC) takes over its responsibilities on a yearly basis by:

- Review the institution-wide Risk Management Framework and presenting relevant recommendations to the BoD;
- Assessing the institution's capital and liquidity planning and reporting to the BoD;
- Assessing the institution-wide Risk Management Framework and ensuring that necessary changes are made;
- Monitoring whether the institution has adequate Risk Management with effective processes which are appropriate to the institution's particular risk situation;
- Monitoring the implementation of Risk Strategies, ensuring, in particular that they are in line with the defined Risk Limits defined in the institution-wide Risk Appetite Framework.

The Executive Committee (through the Internal Control Committee) as well as the Board of Directors are informed on a regular basis concerning the following risks:

- Market risk
- Credit risk (including concentration risk / large exposure / country risk)
- Liquidity risks
- Operational risk (including the internal control framework)
- Reputational risk

### MARKET RISK

Market risk reflects the potential loss on the Bank's balance sheet positions, of which the value or cash flows depend on market fluctuations. The market risks of the Bank are mainly caused by foreign currency positions (foreign exchange risk) and positions with defined repricing maturity (interest rate change risk).

The procedures (Identification, Analysis, Measurement and Assessment) are delegated to the Risk Management department which works with the following methods and limits:

- Interest Rate Risk in the Banking Book (IRRBB): Measurement of exposure vs. limits (e. g. maturity), of sensitivity (+/- 1% interest rate shift) vs. limits daily for the treasury book and monthly for the asset and liability book. For the treasury book a value-at-risk model vs. limit ensures the daily identification of risk.
- Foreign exchange risk (FX): Measurement of exposure vs. limits (e. g. foreign exchange gaps) daily for the banking book (treasury and asset and liability book).

- Financial derivatives are used for hedging of foreign exchange exposures as: <sup>(1)</sup> FX balance sheet gaps or <sup>(2)</sup> FX cash flow hedge. Financial derivatives (OTC FX / metals forwards and OTC FX / metals options) initiated by clients are in principle fully hedged with external counterparties.

## CREDIT RISK

Credit risk is the risk associated with a loss (potential) from counterparties failing to fulfill their financial obligations. It covers:

- Default risk on loans: The risk is managed by an independent credit granting process, a clear policy on the risks the bank is willing to take, appropriate loan-to-value rates, diversification rules and regular reviews. Credit risks are subject to specific approval and monitoring by the Credit Committee. The Credit Department is in charge of credit controls using the following methods:
  - Daily: Violation list, which shows all uncovered positions based on lending value and all limit oversteps based on the exposure
  - Monthly: Assessment of new or existing exception to policy (ETP) positions or default positions (any break of contractual obligation) in addition to independent risk manager's assessment
  - Yearly: Stress test exercise (e. g. decrease of all market prices of 20%) with parameters defined by independent risk manager

The market prices of securities and cash collaterals (for Lombard loans) are valued by a daily market data feed. The market prices of real estate (for mortgages) are valued every 3 years by an independent real estate valuator. The loan to value rates (LTVs) are (a) fed into the banking system through an IT automated daily feed of BIL Group LTVs and (b) monitored by the credit department.

- Default risk on institutional counterparties [banks, brokers, custodians, and bonds positions in the asset and liability book (ALM)]: these credit risks are subject to a regular monitoring by Risk Management. All counterparties and brokers (for securities and foreign exchange transactions) must be authorized by the Executive Committee, based on an assessment by Risk Management, with additional yearly approval by the BACRC.

Any significant increase in credit risk for a borrower or counterparty is presented to the Credit and Default Committee, which decides about provisions.

## LIQUIDITY AND REFINANCING RISKS

Liquidity risk is defined as the risk that the Bank does not have sufficient liquidity to meet its obligations when transactions are due, or the risk that the Bank would have to incur excessive costs to do so. The refinancing risk is defined as the risk that the Bank is not in a position to refinance its current or planned liabilities at reasonable prices. The main refinancing sources are the client deposits and the BIL Group.

Liquidity and refinancing risks are managed by the Treasury department and monitored by the Risk Management department using the following methods: monthly calculation and assessment of the client's current accounts (exposure and average), calculation and assessment of the liquidity coverage ratio (LCR) monthly for the basis stress scenario and quarterly for the additional stress scenario; and quarterly calculation of the Net Stable Funding Ratio. The actual exposure is measured against the limits in the Risk Appetite Framework.

## OPERATIONAL RISK (INCLUDING INTERNAL CONTROL FRAMEWORK)

Operational risk is the term given to the risk of loss resulting from the inadequacy or failure of internal processes, people or systems, or from external events. This definition includes legal risks but excludes strategic and reputational risks.

Operational risks are managed through the application of controls, for which the yearly Risk and Control Self-Assessment (RCSA) measures the effectiveness and efficiency of these controls. The controls are captured in the Internal Control Framework and the execution of the controls is reported in the Risk Report that is presented to the Internal Control Committee and the BACRC. Regarding transactions processing and approval, system-embedded controls ensure the application of a four-eyes principle and segregation of duties requirements.

Legal risks are generally managed by the Legal department, by either providing advice, or a management of any litigation and complaints.

- Litigations are centrally managed by the Legal department, supported by external legal advisers.
- Legal gives legal support to the other departments of the Bank, when it comes to contractual arrangements, the application and interpretation of laws and other matters, either by itself, or supported by external counsel.

## REPUTATIONAL RISK

Through continuous training, all staff is made aware of potential reputational risks to the bank. The procedure for the establishment of a new client relationship or for acceptance of new credits ensures that any possible reputational risk is held to a minimum. Complex or high risk account openings are subject to approval by a specific committee chaired by the Head of Compliance. All transactions are monitored in order to identify high risks linked to the amount of incoming and outgoing assets, the country of the contractual parties, respectively of the beneficial owners or to identify persons under sanctions or subject to prosecution. BIL Group has issued an AML Risk Appetite Statement which highlights client profiles, activities and countries with a heightened reputation risk subject to exit processes that is also applicable for the Bank. Finally, all new client on-boarding and reviews are subject to a specific reputation risk assessment based on a Compliance Risk Grid to provide more transparency on the related risks. All staff are obliged to the «Code of Ethics» of the BIL Group.

### 2.4 Events after the balance sheet date

In March 2024, an individual bond position for a notional amount of EUR 9.900.000 was considered as defaulted and a value adjustment of EUR 5.079.443 will be recognized by BIL Suisse in March 2024. The Bank applies its credit policies to determine the default status, which is based on a "default trigger". In the case of this bond, the default trigger is related to the issuer being unable to meet the conditions of a first forbearance measure during the first quarter of 2024.

### 3. Balance sheet related information

#### 3.1 Assets pledged and financing transactions

##### 3.1.1 Disclosure of assets pledged or assigned to secure own commitments and of assets under reservation of ownership

(In CHF thousands)

Pledged/assigned assets	Book values	Effective commitments
Liquid assets	895	1.790
<b>TOTAL PLEDGED / ASSIGNED ASSETS</b>	<b>895</b>	<b>1.790</b>
<b>TOTAL ASSETS UNDER RESERVATION OF OWNERSHIP</b>	<b>-</b>	<b>-</b>

##### 3.1.2 Breakdown of securities financing transactions (assets and liabilities)

(In CHF thousands)

	31/12/2023	31/12/2022
Book value of receivables from cash collateral delivered in connection with securities borrowing and reverse repurchase transactions <sup>1</sup>	-	-
Book value of obligations from cash collateral received in connection with securities lending and repurchase transactions <sup>1</sup>	-	-
Book value of securities lent in connection with securities lending or delivered as collateral in connection with securities borrowing as well as securities in own portfolio transferred in connection with repurchase agreements	-	-
<i>with unrestricted right to resell or pledge</i>	-	-
Fair value of securities received and serving as collateral in connection with securities lending or securities borrowed in connection with securities borrowing as well as securities received in connection with reverse repurchase agreements with an unrestricted right to resell or repledge	-	-
<i>of which, repledged securities</i>	-	-
<i>of which, resold securities</i>	-	-

<sup>1</sup> Before netting agreements

## 3.2 Presentation of collateral for loans / receivables and off-balance sheet transactions, as well as impaired loans

### 3.2.1 Loans

(In CHF thousands)	Secured by mortgage	Other collateral	Unsecured	TOTAL
<b>Loans (before netting with value adjustments)</b>				
Amounts due from customers	803	429.539	19.314	449.656
Mortgage loans	94.281	-	-	94.281
- Residential property	66.281	-	-	66.281
- Office and business premises	-	-	-	-
- Commercial and industrial premises	28.000	-	-	28.000
- Other	-	-	-	-
<b>Total loans (before netting with value adjustments)</b>				
31/12/2023	95.084	429.539	19.314	543.937
31/12/2022	93.319	419.262	19.221	531.802
<b>Total loans (after netting with value adjustments)</b>				
31/12/2023	95.084	429.539	18.571	543.194
31/12/2022	93.319	419.262	18.572	531.153

### 3.2.2 Off-balance sheet

(In CHF thousands)	Secured by mortgage	Other collateral	Unsecured	TOTAL
Contingent liabilities	-	18.298	-	18.298
Irrevocable commitments	-	-	3.930	3.930
<b>Total off-balance-sheet</b>				
31/12/2023	-	18.298	3.930	22.228
31/12/2022	-	29.635	30.721	60.356

### 3.2.3 Impaired loans / receivables

(In CHF thousands)	Gross debt amount	Estimated liquidation value of collateral	Net debt amount	Individual value adjustments
31/12/2023	3.849	3.106	743	743
31/12/2022	5.686	5.037	649	649

### 3.3 Presentation of derivative financial instruments (assets and liabilities)

(In CHF thousands)	TRADING INSTRUMENTS		
	Positive replacement values	Negative replacement values	Contract volume
<b>Foreign exchange / precious metals</b>			
Forward contracts	3.069	3.953	341.386
Options (OTC)	15	15	1.215
<b>Total before netting agreements:</b>			
<b>31/12/2023</b>	3.084	3.968	342.601
31/12/2022	2.001	5.719	495.771
<b>Total after netting agreements:</b>			
<b>31/12/2023</b>	3.084	3.968	342.601
31/12/2022	2.001	5.719	495.771

#### 3.3.1 Breakdown by counterparty

	Central clearing houses	Banks and securities dealers	Other customer
Positive replacement values (after netting agreements)	-	2.892	192
Negative replacement values (after netting agreements)	-	3.040	928

### 3.4 Breakdown of financial investments

(In CHF thousands)	Book value		Fair value	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Debt securities	222.114	278.617	213.280	268.871
<i>of which, intended to be held to maturity</i>	222.114	278.617	213.280	268.871
<i>of which, not intended to be held to maturity (available for sale)</i>	-	-	-	-
Equity securities	74	74	186	186
<i>of which, qualified participations<sup>1</sup></i>	-	-	-	-
Precious metals	-	-	-	-
Real estate	-	-	-	-
<b>TOTAL</b>	<b>222.188</b>	<b>278.691</b>	<b>213.466</b>	<b>269.057</b>
<i>of which, securities eligible for repo transactions in accordance with liquidity requirements</i>	159.578	163.445	158.958	162.284

#### 3.4.1 Breakdown of counterparties by rating

(In CHF thousands)	AA	AA-	A+	A	A-	n/a	TOTAL
Debt securities: book values	159.578	-	-	-	-	62.536	222.114

The allocation is based on the ratings categories of S&P.

<sup>1</sup> at least 10% of capital or votes

### 3.5 Presentation of participations

	Acquisition cost	Accumulated value adjustments and changes in book value (valuation using the equity method)	Book value 31/12/2022
(In CHF thousands)			
<b>Participations valued using the equity method:</b>	-	-	-
with market value	-	-	-
without market value	-	-	-
<b>Other participations:</b>	-	-	-
with market value	-	-	-
without market value	-	-	-
<b>TOTAL PARTICIPATIONS</b>	-	-	-

	2023					
	Reclassifications	Additions	Disposals	Value adjustments	Book value as at 31/12/2023	Market value
<b>Participations valued using the equity method:</b>	-	-	-	-	-	-
with market value	-	-	-	-	-	-
without market value	-	-	-	-	-	-
<b>Other participations:</b>	-	-	-	-	-	-
with market value	-	-	-	-	-	-
without market value	-	-	-	-	-	-
<b>TOTAL PARTICIPATIONS</b>	-	-	-	-	-	-

### 3.6 Disclosure of companies in which the bank holds a permanent direct or indirect significant participation

(In CHF thousands)	Company name and domicile	Business activity	Company capital	Share of capital (in %)	Share of votes (in %)	Held directly	Held indirectly
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The bank does not hold any participations.

### 3.7 Presentation of tangible fixed assets

(In CHF thousands)	Acquisition cost	Accumulated depreciation	Book value 31/12/2022
Bank buildings	-	-	-
Other real estate	-	-	-
Proprietary or separately acquired software	39	(39)	-
Other tangible fixed assets	6.375	(2.599)	3.776
Tangible assets acquired under finance leases:	-	-	-
<i>of which, bank buildings</i>	-	-	-
<i>of which, other real estate</i>	-	-	-
<i>of which, other tangible fixed assets</i>	-	-	-
<b>TOTAL TANGIBLE FIXED ASSETS</b>	<b>6.414</b>	<b>(2.638)</b>	<b>3.776</b>

(In CHF thousands)	2023					Book value as at 31/12/2023
	Reclassifications	Additions	Disposals	Depreciation	Reversals	
Bank buildings	-	-	-	-	-	-
Other real estate	-	-	-	-	-	-
Proprietary or separately acquired software	-	-	-	-	-	-
Other tangible fixed assets	-	43	-	(502)	-	3.317
Tangible assets acquired under finance leases:	-	-	-	-	-	-
<i>of which, bank buildings</i>	-	-	-	-	-	-
<i>of which, other real estate</i>	-	-	-	-	-	-
<i>of which, other tangible fixed assets</i>	-	-	-	-	-	-
<b>TOTAL TANGIBLE FIXED ASSETS</b>	<b>-</b>	<b>43</b>	<b>-</b>	<b>(502)</b>	<b>-</b>	<b>3.317</b>

Operating lease commitments as at 31.12.2023	0
<i>of which, with maturity within one year</i>	0

### 3.8 Presentation of intangible assets

(In CHF thousands)	Acquisition cost	Accumulated depreciation	Book value 31/12/2022
Goodwill	13.327	(13.327)	-
Patents	-	-	-
Licenses	-	-	-
Other intangible assets	9.708	(8.725)	983
<b>TOTAL INTANGIBLE ASSETS</b>	<b>23.035</b>	<b>(22.052)</b>	<b>983</b>

(In CHF thousands)	2023					Book value as at 31/12/2023
	Reclassifications	Additions	Disposals	Depreciation	Reversals	
Goodwill	-	-	-	-	-	-
Patents	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Other intangible assets	-	-	-	(290)	-	693
<b>TOTAL INTANGIBLE ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(290)</b>	<b>-</b>	<b>693</b>

### 3.9 Breakdown of other assets and other liabilities

(In CHF thousands)	Other assets		Other liabilities	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Compensation account	144	93	-	-
Deferred income taxes recognised as assets	-	-	-	-
Amount recognised as assets in respect of employer contribution reserves	-	-	-	-
Indirect taxes	14	24	326	501
Other assets and liabilities	19	164	1.881	4.289
<b>TOTAL</b>	<b>177</b>	<b>281</b>	<b>2.207</b>	<b>4.790</b>

### 3.10 Disclosures on the economic situation of own pension schemes

The Bank's pension plans are insured and managed by two different multi-employer pension funds providers (collective foundations), which are both approved and under supervision of Swiss Occupational Pension authorities.

The pension plans have both retirement and risk cover (disability and death benefits). The retirement cover is based on defined contributions per age range, the risk benefits are defined as percentage of the insured salary. Normal retirement age for men is 65, and 64 for women (as of 01.01.2024 the normal retirement age for women will be raised gradually to 65). Early retirement as from 58 and deferred retirement up to age 70 is possible, with corresponding decrease or increase of the retirement benefit. The basic pension plan, which complies with the statutory minimal occupational pension benefits, has been implemented by a provider offering semi-autonomous solutions with pooled assets. The supplementary pension plan has been implemented by a pension provider offering 1e plans solutions (\*). Insured salaries and benefits of the two pension plans are coordinated with each other.

### 3.11 Employer contribution reserves (ECR)

(In CHF thousands)					
ECR	Nominal value at 31/12/2023	Waiver of use at 31/12/2023	Net amount at 31/12/2023	Net amount at 31/12/2022	Influence of ECR on personnel expenses
				2023	2022
Employer sponsored funds / employer sponsored pension schemes	-	-	-	-	-
Pension schemes	790	-	790	789	-

The ECR is not reported as an asset on the balance sheet.

\*Swiss 1e plans are a form of pension solution offering investment choice to employees.

### 3.12 Presentation of the economic benefit / obligation and the pension expenses

(In CHF thousands)	Overfunding / underfunding at 31.12.2023	Economic interest of the Bank	Change in economic interest (economic benefit/ obligation) versus 21	Contributions paid for 2023	Pension expenses in personnel expenses	
	31/12/2023	31/12/2022			2023	2022
Pension plan with over-funding	(10)	147	(157)	2.477	2.320	2.551

### 3.13 Presentation of value adjustments and provisions, reserves for general banking risks, and changes therein during the current year

(In CHF thousands)	Balance 31/12/2022	Use in conformity with designated purpose	Reclassifications	Currency differences	Past due interest, recoveries	New creations charged to income	Releases to income	Balance 31/12/2023
Provisions for restructuring	1.220	(531)	-	-	-	-	(425)	264
Other provisions	5.478	(953)	-	(13)	-	205	(2.565)	2.152
<b>TOTAL PROVISIONS</b>	<b>6.698</b>	<b>(1.484)</b>	<b>-</b>	<b>(13)</b>	<b>-</b>	<b>205</b>	<b>(2.990)</b>	<b>2.416</b>
<b>Value adjustments for default and country risks</b>	<b>649</b>	<b>-</b>	<b>-</b>	<b>(38)</b>	<b>-</b>	<b>191</b>	<b>(59)</b>	<b>743</b>
<i>of which, value adjustments for default risks in respect of impaired loans / receivables</i>	<i>649</i>	<i>-</i>	<i>-</i>	<i>(38)</i>	<i>-</i>	<i>191</i>	<i>(59)</i>	<i>743</i>
<i>of which, value adjustments for latent risks</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>

### 3.14 Presentation of the bank's capital

(In CHF thousands)	31/12/2023			31/12/2022		
	Total par value	No. of shares	Capital eligible for dividend	Total par value	No. of shares	Capital eligible for dividend
Share capital	85.000	85.000	85.000	85.000	85.000	85.000
<b>TOTAL SHARE CAPITAL</b>	<b>85.000</b>	<b>85.000</b>	<b>85.000</b>	<b>85.000</b>	<b>85.000</b>	<b>85.000</b>

### 3.15 Disclosure of amounts due from / to related parties

(In CHF thousands)	Amounts due from		Amounts due to	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Holders of qualified participations	25.850	23.960	309.291	137.359
Group companies	-	-	-	-
Linked companies	-	-	-	-
Transactions with members of governing bodies	-	-	-	-
Other related parties	-	-	-	-

The services rendered to and from related parties are at arm's length.

### 3.16 Disclosure of holders of significant participations

(In CHF thousands)		31/12/2023		31/12/2022	
		Nominal	%	Nominal	%
Holders of significant participations and groups of holders of participations with pooled voting rights					
With voting rights	Banque Internationale à Luxembourg SA, Luxembourg	85.000	100%	85.000	100%
Without voting rights	-	-	-	-	-

The parent company of Banque Internationale à Luxembourg (Suisse) SA ("BIL Switzerland") is Banque Internationale à Luxembourg S.A., a Luxembourg public limited company governed by the laws of the Grand Duchy of Luxembourg. Its registered office is situated at 69, route d'Esch, L-1470 Luxembourg.

The main shareholders of Banque Internationale à Luxembourg are Beyond Leap Limited with a holding of 89.9804 % and the Luxembourg State with a holding of 9.9978 %. The remaining 0.0218 % is held by individual shareholders.

BIL Switzerland is integrated in the consolidated financial statements of Legend Holdings Corporation, comprising the largest body of undertakings of which BIL Switzerland forms part as a subsidiary. The registered office of Legend Holdings Corporation is located at 1701, B-17, Raycom Info Tech Park, No.2 Ke Xue Yuan South Road, Haidian District, Beijing 100190, the People's Republic of China. BIL Switzerland is integrated in the consolidated financial statements of Banque Internationale à Luxembourg, comprising the smallest body of undertakings of which BIL Switzerland forms part as a subsidiary. The registered office of Banque Internationale à Luxembourg is located at 69 route d'Esch, L-1470 Luxembourg, and its consolidated accounts are available at the same address.

### 3.17 Presentation of the maturity structure of financial instruments

(In CHF thousands)		At sight	Cancellable	Due				Total	
				within 3 months	within 3 to 12 months	within 12 months to 5 years	after 5 years	No maturity	
ASSETS / FINANCIAL INSTRUMENTS									
Liquid assets		60.572	-	-	-	-	-	-	60.572
Amount due from banks		41.068	324	3.000	-	-	-	-	44.392
Amount due from customers		70.854	15.663	228.866	130.605	2.925	-	-	448.913
Mortgage loans		-	-	63.124	3.013	1.000	27.144	-	94.281
Positive replacement values of derivatives		3.084	-	-	-	-	-	-	3.084
Financial investments		74	-	84.056	74.641	63.417	-	-	222.188
TOTAL	31/12/2023	175.652	15.987	379.046	208.259	67.342	27.144	-	873.430
TOTAL	31/12/2022	187.600	66.874	374.133	160.322	183.318	28.122	-	1.000.369
DEBT CAPITAL / FINANCIAL INSTRUMENTS									
Amount due to banks		16.664	32.319	166.490	100.000	-	-	-	315.473
Amounts due in respect of customer deposits		362.965	25.617	5.941	1.065	-	-	-	395.588
Negative replacement values of derivative financial instruments		3.968	-	-	-	-	-	-	3.968
TOTAL	31/12/2023	383.597	57.936	172.431	101.065	-	-	-	715.029
TOTAL	31/12/2022	712.217	-	69.078	70.000	-	-	-	851.295

### 3.18 Presentation of assets and liabilities by domestic and foreign origin in accordance with the domicile principle

(In CHF thousands)

	31/12/2023		31/12/2022	
	Domestic	Foreign	Domestic	Foreign
<b>ASSETS</b>				
Liquid assets	60.572	-	146.367	-
Amounts due from banks	18.425	25.967	19.282	22.877
Amounts due from customers	82.392	366.521	83.181	355.547
Mortgage loans	82.031	12.250	84.587	7.838
Positive replacement values of derivative financial instruments	2.848	236	540	1.461
Financial investments	149.592	72.596	150.136	128.554
Accrued income and prepaid expenses	2.542	2.881	3.632	2.805
Participations	-	-	-	-
Tangible fixed assets	3.317	-	3.776	-
Intangible assets	693	-	983	-
Other assets	177	-	281	-
<b>TOTAL ASSETS</b>	<b>402.590</b>	<b>480.451</b>	<b>492.765</b>	<b>519.082</b>
<b>LIABILITIES</b>				
Amounts due to banks	13.640	301.833	8.300	134.099
Amounts due in respect of customer deposits	85.844	309.744	111.974	591.203
Negative replacement values of derivative financial instruments	858	3.110	2.865	2.853
Accrued expenses and deferred income	17.806	1.839	18.574	739
Other liabilities	2.207	-	4.790	-
Provisions	2.416	-	6.233	465
Share capital	85.000	-	85.000	-
Statutory capital reserves	52.000	-	52.000	-
Statutory retained earnings reserves	-	-	-	-
Voluntary retained earnings reserves	-	-	-	-
Profit carried forward / loss carried forward	(7.249)	-	(11.272)	-
Profit / loss (result of the year)	13.992	-	4.023	-
<b>TOTAL LIABILITIES</b>	<b>266.513</b>	<b>616.527</b>	<b>282.487</b>	<b>729.359</b>

### 3.19 Breakdown of total assets by country or group of countries (domicile principle)

(In CHF thousands)	31/12/2023		31/12/2022	
	Absolute	Share as %	Absolute	Share as %
<b>ASSETS</b>				
Europe :				
- Switzerland	402.590	46%	492.765	50%
- Luxembourg	70.384	8%	44.760	4%
- Rest of Europe	238.864	27%	246.556	24%
North America	15.949	2%	24.823	2%
Caribbean	36.449	4%	68.966	7%
Latin America	1.326	-	1.171	-
Africa	5.905	1%	16.673	2%
Asia	109.512	12%	113.653	11%
Australia/Oceania	2.062	-	2.480	-
<b>TOTAL ASSETS</b>	<b>883.040</b>	<b>100%</b>	<b>1.011.847</b>	<b>100%</b>

### 3.20 Breakdown of total assets by credit rating of country groups (risk domicile view)

(In CHF thousands)	Net foreign exposure 31/12/2023		Net foreign exposure 31/12/2022	
	Absolute	Share as %	Absolute	Share as %
<b>Rating</b>				
AAA to AA-	296.281	62%	344.698	67%
A+ to A-	48.160	10%	33.259	6%
BBB+ to BBB-	81.481	17%	44.521	9%
BB+ to BB-	10	-	14	-
B+ to B-	2.920	1%	1.519	-
CCC+ to C-	1.217	-	1.122	-
D	144	-	96	-
No rating	50.238	10%	93.853	18%
<b>TOTAL</b>	<b>480.451</b>	<b>100%</b>	<b>519.082</b>	<b>100%</b>

The exposures have been classified as per sovereign ratings issued by S&P.

### 3.21 Presentation of assets and liabilities broken down by the most significant currencies for the Bank

(In CHF thousands)	CHF	EUR	USD	GBP	JPY	PLN	XAU	Others
<b>ASSETS</b>								
Liquid assets	60.567	5	-	-	-	-	-	-
Amounts due from banks	9.768	14.050	8.621	256	12	6.221	92	5.372
Amounts due from customers	101.828	217.221	78.127	4.352	42.764	472	-	4.149
Mortgage loans	82.031	12.250	-	-	-	-	-	-
Positive replacement values of derivative financial instruments	3.069	15	-	-	-	-	-	-
Financial investments	155.053	67.135	-	-	-	-	-	-
Accrued income and prepaid expenses	2.465	2.292	446	42	4	148	-	26
Participations	-	-	-	-	-	-	-	-
Tangible fixed assets	3.317	-	-	-	-	-	-	-
Intangible assets	693	-	-	-	-	-	-	-
Other assets	177	-	-	-	-	-	-	-
<b>TOTAL ASSETS SHOWN IN BALANCE SHEET</b>	<b>418.968</b>	<b>312.968</b>	<b>87.194</b>	<b>4.650</b>	<b>42.780</b>	<b>6.841</b>	<b>92</b>	<b>9.547</b>
Delivery entitlements from spot exchange, forward forex and forex options transactions	82.501	47.107	155.263	11.921	9.147	-	26.810	9.852
<b>TOTAL ASSETS</b>	<b>501.469</b>	<b>360.075</b>	<b>242.457</b>	<b>16.571</b>	<b>51.927</b>	<b>6.841</b>	<b>26.902</b>	<b>19.399</b>
<b>LIABILITIES</b>								
Amounts due to banks	194.958	113.382	5.459	-	7	-	-	1.667
Amounts due in respect of customer deposits	58.471	125.597	146.633	16.318	2.452	6.218	26.809	13.090
Negative replacement values of derivative financial instruments	3.953	15	-	-	-	-	-	-
Accrued expenses and deferred income	19.360	259	25	-	-	1	-	-
Other liabilities	889	23	829	3	-	462	-	1
Provisions	2.416	-	-	-	-	-	-	-
Share capital	85.000	-	-	-	-	-	-	-
Statutory capital reserves	52.000	-	-	-	-	-	-	-
Statutory retained earnings reserves	-	-	-	-	-	-	-	-
Voluntary retained earnings reserves	-	-	-	-	-	-	-	-
Profit carried forward / loss carried forward	(7.249)	-	-	-	-	-	-	-
Profit / loss (result of the year)	13.992	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES SHOWN IN BALANCE SHEET</b>	<b>423.790</b>	<b>239.276</b>	<b>152.946</b>	<b>16.321</b>	<b>2.459</b>	<b>6.681</b>	<b>26.809</b>	<b>14.758</b>
Delivery obligations from spot exchange, forward forex and forex options transactions	82.662	118.320	88.133	200	49.352	-	87	4.523
<b>TOTAL LIABILITIES</b>	<b>506.452</b>	<b>357.596</b>	<b>241.079</b>	<b>16.521</b>	<b>51.811</b>	<b>6.681</b>	<b>26.896</b>	<b>19.281</b>
<b>NET POSITION PER CURRENCY</b>	<b>(4.983)</b>	<b>2.479</b>	<b>1.378</b>	<b>50</b>	<b>116</b>	<b>160</b>	<b>6</b>	<b>118</b>

## 4. Off balance sheet related information

### 4.1 Breakdown of contingent liabilities and contingent assets

(In CHF thousands)	31/12/2023	31/12/2022
Guarantees given to secure credits and similar	18.298	29.635
Other contingent liabilities	-	-
<b>TOTAL CONTINGENT LIABILITIES</b>	<b>18.298</b>	<b>29.635</b>
Guarantees received to secure credits and similar	55.560	59.082
Other contingent assets	490	141
<b>TOTAL CONTINGENT ASSETS</b>	<b>56.050</b>	<b>59.223</b>

### 4.2 Breakdown of fiduciary transactions

(In CHF thousands)	31/12/2023	31/12/2022
Fiduciary investments with third-party companies	1.755	-
Fiduciary investments with group companies and linked companies	889.216	798.658
Other fiduciary transactions	-	-
<b>TOTAL</b>	<b>890.971</b>	<b>798.658</b>

### 4.3 Breakdown of managed assets and presentation of their development

#### 4.3.1 Breakdown of managed assets

(In CHF million)	31/12/2023	31/12/2022
Assets in collective investment schemes managed by the Bank	-	-
Assets under discretionary asset management agreements	269	262
Other managed assets	4.115	3.795
<b>TOTAL MANAGED ASSETS (INCLUDING DOUBLE COUNTING)</b>	<b>4.384</b>	<b>4.057</b>
<i>of which, double counting</i>	-	-

#### 4.3.2 Presentation of the development of managed assets

(In CHF million)	2023	2022
<b>TOTAL MANAGED ASSETS (INCLUDING DOUBLE COUNTING) AT BEGINNING</b>	<b>4.057</b>	<b>4.300</b>
+/- net new money inflow or net new money outflow	307	328
+/- price gains / losses, interest, dividends and currency gains / losses	20	(571)
+/- other effects	-	-
<b>TOTAL MANAGED ASSETS (INCLUDING DOUBLE COUNTING) AT END</b>	<b>4.384</b>	<b>4.057</b>

Considered as client assets are all assets, held as investment, from institutional clients, company clients and private clients. Assets held for safekeeping only are not included. This concerns assets from institutionals like investment funds, where the Bank acts as custody and financial collector only.

Changes in rates, credits of interests and dividends, commissions, debit interests on Lombard loans, etc. are considered as performance-based changes in client assets.

## 5. Income statement related information

### 5.1 Result from trading activities and interest operations

#### 5.1.1 Breakdown of the result from trading activities and the fair value option

(In CHF thousands)	2023	2022
Result from trading activities from:		
- Interest rate instruments (including funds)	-	-
- Equity securities (including funds)	-	-
- Foreign currencies	4.406	5.178
- Commodities / precious metals	15	5
<b>TOTAL RESULT FROM TRADING ACTIVITIES</b>	<b>4.421</b>	<b>5.183</b>
<i>of which, from fair value option</i>	-	-
<i>of which, from fair value option on assets</i>	-	-
<i>of which, from fair value option on liabilities</i>	-	-

#### 5.1.2 Disclosure of material refinancing income in the item interest and discount income as well as material negative interest

(in CHF thousands)	2023	2022
Result from interest operations		
- Interest and discount income	24.743	14.866
<i>of which, from refinancing income</i>	-	-
<i>of which from negative interest</i>	-	(1.254)
- Interest and dividend income from financial investments	4.600	1.746
- Interest expense	(5.881)	(320)
<i>of which from negative interest</i>	(3)	805
<b>TOTAL RESULT FROM INTEREST OPERATIONS</b>	<b>23.462</b>	<b>16.292</b>

### 5.2 Breakdown of personnel expenses

(in CHF thousands)	2023	2022
Salaries (meeting attendance fees and fixed compensation to members of the bank's governing bodies, salaries and benefits)	25.985	26.344
<i>of which expenses relating to share-based compensation and alternative forms of variable compensation</i>	6.830	7.319
Social insurance benefits	3.860	3.898
Changes in book value for economic benefits and obligations arising from pension schemes	-	-
Other personnel expenses	475	380
<b>TOTAL</b>	<b>30.320</b>	<b>30.622</b>

### 5.3 Breakdown of general and administrative expenses

(In CHF thousands)	2023	2022
Office space expenses	2.441	2.706
Expenses for information and communications technology	7.266	7.407
Expenses for vehicles, equipment, furniture and other fixtures, as well as operating lease expenses	29	53
Fees of audit firm(s) (Art. 961a no. 2 CO)	497	242
<i>of which, for financial and regulatory audits</i>	497	242
<i>of which, for other services</i>	-	-
Other operating expenses	4.756	4.497
<b>TOTAL</b>	<b>14.989</b>	<b>14.905</b>

### 5.4 Explanations regarding material losses, extraordinary income and expenses, as well as material releases of hidden reserves, reserves for general banking risks and value adjustments and provisions no longer required

The bank realized extraordinary income of CHF 0.29 Million in 2023 (CHF 0.16 million in 2022). These revenues were related to the sale of some fixed assets as well as the derecognition of a number of legacy liabilities.

### 5.5 Presentation of current taxes, deferred taxes, and disclosure of tax rate

(In CHF thousands)	2023	2022
Current taxes	340	530
Deferred taxes	-	-
Impact of changes arising from loss carry forwards on income taxes	-	-
Average income tax rate	-	-

Based on the last filed tax return, BIL Suisse has CHF 30 million of carried forward tax losses available as at 31 December 2023. The losses can be carried forward for a period of seven years following the tax year in which the losses arose.

BIL Suisse, as part of BIL Group and ultimately being consolidated in Legend Holdings Corporation (hereinafter referred to as "Legend Holdings Group"), is within the scope of the OECD Pillar 2 model rules instituting a minimum corporate income tax for international groups. Pillar 2 model rules were enacted in Switzerland by an ordinance adopted by the Swiss Federal Council on 22 December 2023, introducing a domestic minimum top-up tax as of 1st January 2024. For the year ended 31 December 2023, the Pillar 2 regulation was not effective at the reporting date, and the Legend Holdings Group has no related current tax exposure. BIL Group and Legend Holdings Group apply the mandatory and temporary exception to the accounting recognition of the deferred taxes assets and liabilities related to Pillar 2 regulation, according to the amendments to IAS 12 issued in May 2023, respectively to the amendments to HKAS 12 issued in July 2023.

Legend Holdings Group is in the process of assessing its potential exposure to the Pillar 2 regulation when it comes into effect. Due to the complexity of the regulation, the quantitative impact is still being determined at Legend Holdings Group level with the assistance of external advisors.

# Proposal to the Annual General Meeting

The Board of Directors proposes to the Ordinary Annual General Meeting that available earnings be appropriated as follows:

(Swiss Francs)

<b>Total shareholders' equity as at 31.12.2023 before appropriation of available earnings :</b>	
Share capital	85.000.000
Statutory capital reserves	52.000.000
of which tax-exempt capital contribution reserves	52.000.000
Statutory retained earnings reserves	-
Voluntary retained earnings reserves	-
Profit carried forward / loss carried forward	(7.249.060)
Profit / loss (result of the period)	13.992.302
<b>TOTAL</b>	<b>143.743.242</b>
Profit / loss (result of the period)	13.992.302
+/- profit / loss carried forward	(7.249.060)
<b>= distributable profit / accumulated loss</b>	<b>6.743.242</b>
<b>Appropriation of profit / coverage of losses :</b>	
- Transfers from statutory retained earnings reserves	-
<b>New amount carried forward</b>	<b>6.743.242</b>
<b>Total shareholders' equity as at 31.12.2023 after appropriation of available earnings :</b>	
Share capital	85.000.000
Statutory capital reserves	52.000.000
of which tax-exempt capital contribution reserves	52.000.000
Statutory retained earnings reserves	-
Voluntary retained earnings reserves	-
Profit carried forward / loss carried forward	6.743.242
<b>TOTAL</b>	<b>143.743.242</b>

# Report of the statutory auditor

## to the General Meeting of Banque Internationale à Luxembourg (Suisse) SA, Zürich

### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of Banque Internationale à Luxembourg (Suisse) SA (the Company), which comprise the balance sheet as at 31 December 2023, income statement and presentation of the statement of changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 16 to 40) comply with Swiss law and the Company's articles of incorporation.

#### Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate to the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Report on other legal and regulatory requirements

In accordance with art. 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

Furthermore, we confirm that the proposed appropriation of available earnings complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Roland Holl  
Licensed audit expert  
Auditor in charge

Dario Mazzucca  
Licensed audit expert

Zürich, 18 April 2024

# Disclosure according to FINMA Circular 2016/1 on capital and liquidity

TABLE ID	TYPE	NAME AND DESCRIPTION	REMARKS
<b>OVERVIEW DISCLOSURES</b>			
CorpGov	QUALITATIVE	Corporate Governance	Qualitative disclosure covered by narrative included in the annual report.
KM1	QUANTITATIVE	Key metrics	See table KM1
OV1	QUANTITATIVE	Overview of risk weighted assets (RWA)	See table OV1
LIQA	MIXED	Liquidity risk management	<p>BIL Suisse is classified as Category 4 Bank by the FINMA and is therefore subject to a Liquidity Coverage Ratio (LCR) regulatory requirement of 100%.</p> <p>In addition to the regulatory requirement, BIL Suisse maintains a stricter internal requirement prescribed by the bank's Risk Appetite Framework (RAF).</p> <p>The internal requirement is implemented using a traffic light approach where three different thresholds define the RED, AMBER and GREEN areas as follows:</p> <ul style="list-style-type: none"> <li>- <b>GREEN:</b> LCR &gt; 150%</li> <li>- <b>AMBER:</b> 120% ≤ LCR ≤ 150%</li> <li>- <b>RED:</b> LCR &lt; 120%</li> </ul> <p>The ratio is monitored on a daily basis and reported to the ALM Committee members, as well as to BIL Group, along with projections and stress tests results</p>
<b>CREDIT AND COUNTERPARTY CREDIT RISK DISCLOSURE</b>			
CR1	QUANTITATIVE	Credit risk: Credit quality of assets	See table CR1
CR2	QUANTITATIVE	Credit risk: Changes in stock of defaulted loans and debt securities	See table CR2
CRB	MIXED	Credit risk: Additional disclosure related to the credit quality of assets	<p>BIL Suisse credit portfolio mainly consists of short term Lombard loans and revolving credit facilities. BILS also offers long term mortgage loans and term loans.</p> <p>Lombard loans are collateralised by liquid financial securities where particular attention is placed on country risk (BIL Suisse does not finance against Russian or Ukrainian securities in the collateral pool).</p> <p>Furthermore, BIL Suisse holds debt securities in European corporates diversified across various sectors as well as Swiss sub-national sovereign bonds and short term SNB Bills that are part of the High Quality Liquid Assets pool of the bank.</p>
CR3	QUANTITATIVE	Credit risk: Credit risk mitigation techniques – overview	See table CR3
CR5	QUANTITATIVE	Credit risk: Standardised approach – exposures by asset classes and risk weights	See table CR5
CCR3	QUANTITATIVE	Counterparty credit risk: Standardised approach of CCR exposures by regulatory portfolio (position class) and risk weights	See table CCR3
CCR5	QUANTITATIVE	Counterparty credit risk: Composition of collateral for CCR exposure	See table CCR5

TABLE ID	TYPE	NAME AND DESCRIPTION	REMARKS
INTEREST RATE RISK IN THE BANKING BOOK DISCLOSURE			
IRRBB A	QUALITATIVE	Interest rate risk: risk management objectives and policies for the management of interest rate risk in the banking book	<p>BIL Suisse is part of BIL Group and complies with the Group's Interest Rate Risk in the Banking Book policy explained in the Group's Pillar III disclosures report available at <a href="https://www.bil.com/en/bil-group/documentation/Pages/financial-reports.aspx">https://www.bil.com/en/bil-group/documentation/Pages/financial-reports.aspx</a></p> <p>As part of its regulatory reporting duties, the bank reports the IRRBB metrics (Delta-EVE and Delta-NII) to the SNB on a quarterly basis. Furthermore, the BIL Suisse's Risk Appetite Framework includes specific limits covering the interest rate sensitivity on Banking Book positions. For such positions, the sensitivity is measured using a parallel shift of 100 basis points on all underlying interest rate curves. The interest rate sensitivity is then recalculated using the six standard IRRBB regulatory scenarios and the respective results are provided for information. The limits are set using a traffic light approach as follows:</p> <p>ALM Interest Rate Sensitivity</p> <ul style="list-style-type: none"> <li>- <b>GREEN:</b> IR Sensitivity &lt; 6m CHF</li> <li>- <b>AMBER:</b> 6m CHF ≤ IR Sensitivity ≤ 7.5m CHF</li> <li>- <b>RED:</b> IR Sensitivity &gt; 7.5m CHF</li> </ul> <p>The Interest Rate Sensitivity is measured and reported with daily frequency and reported to the ALM Committee on a monthly basis.</p>
IRRBB A1	QUANTITATIVE	Interest rate risk: quantitative information on position structure and interest rate repricing	See table IRRBB A1
IRRBB B1	QUANTITATIVE	Interest rate risk: quantitative information on the net present value and interest income	See table IRRBB B1
OPERATIONAL RISK DISCLOSURE			
ORA	QUALITATIVE	Operational risks: general information	<p>BIL Suisse determines the capital requirement for Operational Risk using the Basic Indicator Approach (BIA). The latter computes the capital requirement as a three-years average of the positive Gross Income (GI) indicator, rescaled by 15%. BIL Suisse update the operational risk capital requirement twice a year, on the second and fourth quarters.</p>

## Table KM1: Key metrics

(In CHF thousands)	31/12/2023	30/09/2023	30/06/2023	31/03/2023	31/12/2022
<b>Available capital (amounts)</b>					
Common Equity Tier 1 (CET1)	129.058				124.744
Tier 1	129.058				124.744
Total capital	129.058				124.744
<b>Risk-weighted assets (amounts)</b>					
Total risk-weighted assets (RWA)	361.255				424.240
Minimum capital requirement	28.900				33.939
<b>Risk-based capital ratios as a percentage of RWA</b>					
Common Equity Tier 1 ratio (%)	35.72%				29.4%
Tier 1 ratio (%)	35.72%				29.4%
Total capital ratio (%)	35.72%				29.4%
<b>Additinal CET1 buffer requirements as a percentage of RWA</b>					
Capital conservation buffer requirement (2.5% from 2019) (%)	2.5%				2.5%
Countercyclical buffer requirement (%)	0%				0%
Bank G-SIB and/or D-SIB additional requirements (%)	0%				0%
Total of bank CET1 specific buffer requirements (%)	2.5%				2.5%
CET1 available after meeting the bank's minimum capital requirements (%)	27.72%				21.4%
<b>Target capital ratios according to appendix 8 CAO (% of RWA)</b>					
Capital buffer according to appendix 8 CAO (%)	3.2%				3.2%
Countercyclical capital buffer (art. 44 and 44a CAO) (%)	0.1447%				0.142%
CET1 target ratio according to appendix 8 CAO in addition to countercyclical capital buffer according to art. 44 and 44a CAO (%)	7.54%				7.54%
T1 target ratio according to appendix 8 CAO in addition to countercyclical capital buffer according to art. 44 and 44a CAO (%)	9.14%				9.14%
Total capital target ratio according to appendix 8 CAO in addition to countercyclical capital buffer according to art. 44 and 44a CAO (%)	11.34%				11.34%
<b>Basel III leverage ratio<sup>1</sup></b>					
Total Basel III leverage ratio exposure measure	959.003				1.087.779
Basel III leverage ratio (%)	13.46%				11.47%
<b>Liquidity Coverage Ratio</b>					
Total HQLA	270.390	355.046	276.999	300.629	386.341
Total net cash outflow	153.368	245.924	162.528	201.438	192.507
LCR ratio (%)	176.3%	144.4%	170.4%	149.2%	200.7%
<b>Net Stable Funding Ratio<sup>2</sup></b>					
Total available stable funding	495.165				641.650
Total required stable funding	381.280				426.900
NSFR ratio	129.87%				150.3%

## Table OV1: Overview of risk weighted assets

(In CHF thousands)	RWA <sup>1</sup>	RWA	Minimum Capital Requirement	RWA change
	31/12/2023	31/12/2022	31/12/2023	in %
Credit risk <sup>2</sup>	255.687	329.861	26.389	-22%
Market risk <sup>1</sup>	13.024	15.517	1.241	-16%
Operational risk <sup>1</sup>	92.543	78.861	6.309	17%
Amounts below threshold for deductions (with 250% to be risk weighted positions)		0		0%
<b>TOTAL (1 + 20 + 24 + 25)</b>	<b>361.255</b>	<b>424.240</b>	<b>33.939</b>	<b>-15%</b>

## Table CR1 : Credit risk: Credit quality of assets [QC / fixed]

(In CHF thousands)	Reporting Period			Net values (a + b - c)
	Gross carrying values of <sup>3</sup>		Allowances/ impairments <sup>4</sup>	
	Defaulted exposures <sup>5</sup>	Non- defaulted exposures		
Loans (excluding debt securities)	3.712	584.515	641	587.586
Debt securities		222.115	0	222.115
Off-balance sheet exposures	954	284.513	0	285.467
TOTAL REPORTING PERIOD	4.666	1.091.142	641	1.095.167
TOTAL PRIOR PERIOD <sup>6</sup>	6.727	1.088.610	646	1.094.691

<sup>1</sup> RWA: risk weighted positions in accordance with own funds requirement calculation regulation. When the regulation does not foresee the direct calculation of RWA (e.g. Operational Risk and Market Risk), the capital requirement is converted into RWA equivalent by means of the application of 12.5 scaling factor.

<sup>2</sup> Includes counterparty credit risk, non-counterparty-related risks, the risks relating to shares held in the banking book and the investments in collective managed assets as well as settlement risk.

The substantial Year-on-Year decrease in RWA is mainly driven by the decrease in Credit Risk Weighted Assets. The reason for such variation is twofolds:

1. The monetary policy tightening began in between the second and third quarters of 2022 has led to a sharp increase in interest rates in major currencies such as CHF, EUR, USD and GBP. As consequence, wealth management clients previously using leverage to increase the return on their assets began deleveraging, thereby reducing the drawdown on their Lombard credit facilities, driving down the credit RWA.
2. Throughout 2023, 50m CHF (market value) worth of financial securities previously included in the financial investment portfolio of the bank reached maturity.

The decrease of Credit RWA is partly offset by the increase in Operational Risk Weighted Assets, driven by the inclusion of 2022 and 2023 profits into the three years observation window required for the calculation of the Operational Risk capital requirement under the Basic Indicator Approach.

<sup>3</sup> Gross carrying values: on- and off-balance sheet items that give rise to a credit risk exposure according to the Basel framework. On-balance sheet items include loans and debt securities.

Off-balance sheet items must be measured according to the following criteria:

- (a) guarantees given – the maximum amount that the bank would have to pay if the guarantee were called. The amount must be gross of any credit conversion factor (CCF) or credit risk mitigation (CRM) techniques.
- (b) Irrevocable loan commitments – total amount that the bank has committed to lend. The amount must be gross of any CCF or CRM techniques. Revocable loan commitments must not be included.

The gross value is the accounting value before any allowance/impairments but after considering write-offs. Banks must not take into account any credit risk mitigation technique.

<sup>4</sup> Sum of value adjustments, without taking into account, that these adjustments cover past due credits or even deferred risks, and directly booked amortisations.

<sup>5</sup> Under SA-BIZ this includes credits past due and defaulted positions.

## Table CR2: Credit risk: Changes in stock of defaulted loans and debt securities

(In CHF thousands)	Reporting period
Defaulted loans and debt securities at end of the previous reporting period <sup>1</sup>	5.530
<i>Loans and debt securities that have defaulted since the last reporting period</i>	182
<i>Returned to non-defaulted status</i>	2.000
<i>Amounts written off<sup>2</sup></i>	
<i>Other changes<sup>3</sup></i>	
Defaulted loans and debt securities at end of the reporting period	3.712

## Table CR3: Credit risk: Credit risk mitigation techniques

(In CHF thousands)	Exposures unsecured: carrying amount <sup>4</sup>	Exposures secured by collateral, of which: secured amount <sup>5</sup>	Of which secured by real estate	Exposures secured by financial guarantees or credit derivatives, of which: secured amount
Loans (including debt securities)	346.152	417.123	94.296	46.426
Off-balance sheet	24.598	260.869	1.543	
<b>TOTAL</b>	<b>370.749</b>	<b>677.992</b>	<b>95.839</b>	<b>46.426</b>
<i>Of which defaulted</i>	792	3.233	2.277	0
Prior year	447.708	595.821	93.789	51.162

<sup>1</sup> Loans and debt securities that have defaulted since the last reporting period: refers to any loan or debt securities that became marked as defaulted during the reporting period.

<sup>2</sup> Amounts written off: both total and partial write-offs.

<sup>3</sup> Other changes: balancing items that are necessary to enable total to reconcile.

<sup>4</sup> Exposures unsecured- carrying amount: carrying amount of exposures (net of allowances/impairments) that do not benefit from a credit risk mitigation technique.

<sup>5</sup> Exposures secured by collateral: carrying amount of exposures (net of allowances/ impairments) partly or totally secured by collateral, regardless of the collateralised portion.

**Table CR5: Credit risk: exposures by asset classes and risk weights under the standardised approach<sup>1</sup>**

(In CHF thousands)

Asset classes / Risk weight	0%	10%	20%	35%	50%	75%	100%	150%	Other	Total credit exposures amount (post CCF and post-CRM)
Sovereigns and their central banks	194.645									194.645
Banks and securities traders			41.629		49.852					91.481
Public-sector entities and multilateral developments banks			26.399							26.399
Corporate				7.197			156.769	121		164.088
Retail				51.975		6.764	23.349	792		82.880
Equity securities								74		74
Other assets <sup>2</sup>	5						5.130			5.135
<b>TOTAL</b>	<b>194.650</b>		<b>68.029</b>	<b>59.172</b>	<b>49.852</b>	<b>6.764</b>	<b>185.249</b>	<b>987</b>		<b>564.702</b>
Thereof receivables secured by real estate				59.172		3.322	30.383			92.876
Thereof receivables past due							2.200	910		3.110
Prior year	281.216		68.861	56.894	68.040	4.714	253.028	917		733.670

<sup>1</sup> The exposure reported in Table CR5 consists of the Exposure at Default (EAD) used to calculate the minimum capital requirement post application of Credit Conversion Factors (CCF) and recognition of any Credit Risk Mitigation (CRM).

<sup>2</sup> This line takes into account the other assets (i.e. securitization positions, non-counterparty related positions and other positions) and any participations in commercial enterprises subject to a risk weight of 1250% - thereby subject to full deduction from the regulatory capital base.

## Table CCR3: Counterparty credit risk: exposures by regulatory portfolio and risk weights under the standardised approach

(In CHF thousands)

Asset classes / Risk weight	0%	10%	20%	50%	75%	100%	150%	Other	Total credit exposure <sup>1</sup>
Sovereigns and their central banks									
Banks and securities traders			6.550	1.603					<b>8.152</b>
Public-sector entities and multilateral developments banks									
Corporates						88	0		<b>88</b>
Retail					0	743			<b>743</b>
Equity securities									
Other assets <sup>2</sup>									
<b>TOTAL</b>			6.550	1.603	0	831	0		<b>8.983</b>

## Table CCR5: Counterparty credit risk: Composition of collaterals for CCR exposure [QC / flexible]

(In CHF thousands)

	Collateral used in derivative transactions				Collateral used in SFTs	
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
	Segregated <sup>3</sup>	Unsegregated	Segregated <sup>3</sup>	Unsegregated		
Cash – domestic currency (CHF)		1.893				
Cash – other currencies		8.026				
Domestic sovereign debt		121				
Other sovereign debt		6.752				
Government agency debt		1.113				
Corporate bonds		49.238				
Equity securities		57.418				
Other collateral		113.684				
<b>TOTAL</b>		<b>238.245</b>				

<sup>1</sup> Total credit exposure: the amount relevant for the capital requirements calculation, post recognition of Credit Risk Mitigation techniques.

<sup>2</sup> Other assets includes securitization positions, non-counterparty related positions as well as any investments (participations) in commercial enterprises subject to a risk weight of 1250%.

<sup>3</sup> Segregated refers to collateral which is held in a bankruptcy-remote manner according to the description included in paragraphs 200–203 of the Capital requirements for bank exposures to central counterparties, April 2014.

**Table IRRBBA1: Quantitative information on the exposure's structure and interest rate fixing date**

(In CHF thousands)	Amount in CHF millions			Average interest rate reset period (in years)	
	Total	Of which: CHF	Of which: other significant currencies that make up more than 10% of assets and liabilities	Total	Of which: CHF
<b>Defined interest rate reset date</b>					
Amounts due from banks	3.027	3.027		0.10	0.10
Amounts due from customers	395.423	100.387	245.055	0.26	0.18
Money market mortgages	64.475	56.392	8.083	0.16	0.15
Fixed-rate mortgages	34.446	28.477	5.969	7.97	6.94
Financial investments	225.849	155.404	70.445	0.82	0.39
Other receivables					
Receivables from interest-rate derivatives					
Amounts due to banks	300.348	193.119	107.229	0.35	0.48
Amounts due in respect to customer deposits	7.078	2.514	4.498	0.14	0.17
Cash bonds					
Bonds issues and central mortgage institution loans					
Other payables					
Payables to interest-rate derivatives					
<b>Undefined interest rate reset date</b>					
Amounts due from banks	40.398	6.768	22.671	0.08	0.08
Amounts due from customers	58.614	2.136	54.598	0.09	0.09
Fixed-rate mortgages					
Other receivables					
Payables from personal accounts and current accounts	349.763	55.971	267.476	1.36	0.08
Other payables	18.983	4.958	12.352	0.08	0.08
Payables arising from customers deposits, terminable but not transferable (savings accounts)	2.660		313	0.22	
<b>TOTAL</b>	<b>1.501.065</b>	<b>609.153</b>	<b>798.689</b>	<b>0.78</b>	<b>0.63</b>

## Table IRRBB1: Quantitative information on IRRBB

(In CHF thousands)				
Period	DELTA EVE		DELTA NII	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Parallel up	600	4.128	6.116	-2.024
Parallel down	-739	-4.904	-6.028	1.979
Steepner	727	2.056		
Flattener	-526	-1.118		
Short rate up	-263	546		
Short rate down	227	-614		
Maximum	739	4.904	6.028	2.024
Period	31/12/2023		31/12/2022	
Tier 1 capital	129.058		124.744	

The change in the economic value of equity (Delta-EVE) resulting from the application of the regulatory interest rate scenarios are below 15% of BIL Suisse Tier1 Capital. The scenario originating the highest Delta-EVE is the parallel down which assumes a parallel shift along the whole interest rate curve.

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