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PROSPECTUS DATED 5 MARCH 2025

BANQUE INTERNATIONALE À LUXEMBOURG, *SOCIÉTÉ ANONYME*

(*Incorporated with limited liability in Luxembourg*)

€300,000,000 7.250 per cent. Fixed Rate Resettable Callable Perpetual Additional Tier 1 Capital Notes

The issue price of the €300,000,000 7.250 per cent. Fixed Rate Resettable Callable Perpetual Additional Tier 1 Capital Notes (the "**Notes**") of Banque Internationale à Luxembourg, *société anonyme* (the "**Bank**", "**Issuer**" or "**BIL**") is 100 per cent. of their principal amount.

The Notes will, subject to certain interest cancellation provisions as described below, bear interest on their Prevailing Principal Amount (as defined in Condition 17 (*Interpretation*)) on a non-cumulative basis from (and including) 7 March 2025 (the "**Issue Date**") to (but excluding) 7 March 2031 (the "**First Reset Date**") at a fixed rate of 7.250 per cent. per annum. Interest will be payable semi-annually in arrear on 7 March and 7 September of each year commencing on 7 September 2025 (each an "**Interest Payment Date**"). The rate of interest will reset on the First Reset Date and each date which falls five, and each multiple of five, years after the First Reset Date) (each, a "**Reset Date**").

The Issuer may elect, at its sole and absolute discretion, to cancel (in whole or in part) the payment of interest on the Notes otherwise scheduled to be paid on an Interest Payment Date. Furthermore, without prejudice to the Issuer's discretionary cancellation right and to the prohibition to make payments under the Notes pursuant to the national legislation implementing Article 141(2) of the CRD IV Directive (as defined in Condition 17 (*Interpretation*)) before the Maximum Distributable Amount (as defined in Condition 17 (*Interpretation*)) is calculated, the Issuer shall calculate the Maximum Distributable Amount in accordance with the national legislation implementing Article 141 of the CRD IV Directive and the interest shall be cancelled (in whole or in part) if, and to the extent that (a) the payment of such interest, when aggregated with any interest payments or distributions which have been paid or made or which are required to be paid or made on the Notes or any other own funds items in the then current financial year (excluding any such interest payments or distributions which are not required to be made out of Distributable Items (as defined in Condition 17 (*Interpretation*)) and any other amounts which the Regulator (as defined in Condition 17 (*Interpretation*)) may require to be taken into account, would cause the amount of Distributable Items (if any) then available to the Issuer to be exceeded; (b) the payment of such interest would cause, when aggregated together with other distributions of the kind referred to in article 59-13(2) and (3) of the Financial Sector Law (as defined in Condition 17 (*Interpretation*)) (transposing Article 141(2) of the CRD IV Directive) or any other relevant provisions of the Financial Sector Law and the Loss Absorption Regulations (as defined in Condition 17 (*Interpretation*)), the Maximum Distributable Amount (if any) then applicable to the Issuer on a solo basis or the Group on a consolidated basis to be exceeded; or (c) the Regulator orders the Issuer to cancel the payment of interest. Any interest that has been cancelled shall not accumulate or be payable to the holders of Notes (the "**Noteholders**") at any time thereafter. Noteholders shall have no right to the interest payment (or part thereof) not paid, whether in a bankruptcy (*faillite*) or dissolution or as a result of the insolvency of the Issuer or otherwise. See Condition 3 (*Interest Cancellation*) in "*Terms and Conditions of the Notes*" (the "**Conditions**" and each, a "**Condition**").

The Prevailing Principal Amount of the Notes will be written down if, at any time, the Solo CET1 Ratio (as defined in Condition 17 (*Interpretation*)) of the Issuer or the Consolidated CET1 Ratio (as defined in

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Condition 17 (*Interpretation*)) of the Group, as the case may be, is less than 7.00 per cent. Noteholders may lose some or substantially all of their investment in the Notes as a result of such a write-down. Following such reduction, the Prevailing Principal Amount may, at the Issuer's discretion, be written-up to the Original Principal Amount (as defined in Condition 17 (*Interpretation*)) if certain conditions are met. See Condition 8 (*Principal Write-down and Principal Write-up*) in "*Terms and Conditions of the Notes*".

The Notes will constitute direct, unsecured, unguaranteed and subordinated obligations of the Issuer, ranking *pari passu* among themselves without any preference. If an order is made for the judicial liquidation (*liquidation judiciaire*) of the Issuer or an effective resolution is passed for the voluntary liquidation (*liquidation volontaire*) of the Issuer in accordance with the BRR Act 2015 (as defined in Condition 17 (*Interpretation*)), the Noteholders shall be entitled to receive in respect of each Note an amount equal to the Prevailing Principal Amount of that Note, together with any interest accrued to such date which has not been cancelled as provided in Condition 3 (*Interest Cancellation*) or Condition 8 (*Principal Write-down and Principal Write-up*) and together with any damages awarded for breach of obligations in respect thereof, out of the liquidation proceeds after satisfaction of all claims of Senior Creditors (as defined in Condition 17 (*Interpretation*)) and *pari passu* (by percentage of the amount payable) with the satisfaction of all claims of other creditors of the Issuer (including holders of Additional Tier 1 Capital Instruments (as defined in Condition 17 (*Interpretation*))) ranking *pari passu* with the Notes, but prior to the satisfaction of the claims of the shareholders (including holders of CET 1 Capital (as defined in Condition 17 (*Interpretation*)) of the Issuer in their capacity as shareholders and of any creditors of the Bank whose claims are, or are expressed to be, junior to the claims of the Noteholders. See Condition 1(b) (*Status and Subordination*) in "*Terms and Conditions of the Notes*".

The Notes are perpetual notes in respect of which there is no fixed redemption date and Noteholders do not have the right to call for their redemption. As a result, the Issuer is not required to make any payment of the principal amount of the Notes at any time prior to its winding-up. The Issuer may, at its option, redeem the Notes, in whole but not in part, on any day in the period commencing on (and including) 7 September 2030 and ending on (and including) the First Reset Date and on any Interest Payment Date after the First Reset Date (together with the First Reset Date, each an "**Optional Call Date**") in each case at their Prevailing Principal Amount, together with any accrued but unpaid interest (excluding any interest which has been cancelled or deemed cancelled in accordance with the Conditions) to, but excluding, the date of redemption. The Issuer may not redeem the Notes pursuant to Condition 4(b) (*Bank's call option*) on any Optional Call Date if the Prevailing Principal Amount of the Notes is lower than the Original Principal Amount at such time. The Issuer may also, at its option, redeem the Notes in whole, but not in part, at their Prevailing Principal Amount, together with any accrued but unpaid interest which the Issuer decides in its absolute discretion that it will pay (excluding any interest which has been cancelled or deemed cancelled in accordance with the Conditions) to (but excluding) the date of redemption, upon the occurrence of a Tax Event, a Regulatory Event or a Loss Absorption Disqualification Event (each as defined in Condition 17 (*Interpretation*)). If 75 per cent. or more of the aggregate principal amount of the Notes originally issued has been purchased by the Issuer or by others for the Issuer's account and cancelled, then the Issuer may, if certain conditions are met, redeem the Notes, in whole but not in part, at their Prevailing Principal Amount, together with any accrued but unpaid interest which the Issuer decides in its absolute discretion that it will pay (excluding any interest which has been cancelled or deemed cancelled in accordance with the Conditions) to (but excluding) the date of redemption. See Condition 4 (*Redemption and Purchase*) in "*Terms and Conditions of the Notes*". In addition, the Issuer may, if a Tax Event, a Regulatory Event, a Loss Absorption Disqualification Event or an Alignment Event (as defined in Condition 17 (*Interpretation*)) has occurred and is continuing or in order to align the terms and conditions of the Notes to best practices published from time to time by the European Banking Authority resulting from its monitoring activities pursuant to Article 80 of the CRR (as defined in Condition 17 (*Interpretation*)), substitute all (but not some only) of the Notes or vary the terms of all (but not some only) of the Notes so that they become or remain, as the case may be, Qualifying Securities (as defined in Condition 7 (*Substitution and Variation*)).

Amounts payable under the Notes on any Interest Payment Date falling on or after the First Reset Date are calculated by reference to the mid-swap rate for euro swaps with a term of 5 years which appears on the Reuters screen "ICESWAP2" as of 11:00 a.m. (Central European time) on such Mid-Swap Rate Determination Date (as defined in Condition 17 (*Interpretation*)) which is provided by reference to EURIBOR, which is provided by the European Money Markets Institute. As at the date of this Prospectus, the European Money Markets Institute appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to Article 36 of the Benchmark Regulation (EU) 2016/1011 (the "**Benchmark Regulation**").

An investment in Notes involves certain risks. Prospective investors should have regard to the factors described under the heading "*Risk Factors*" herein.

This Prospectus has been approved as a prospectus by the *Commission de Surveillance du Secteur Financier* (the "**CSSF**"), as competent authority under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). The CSSF only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the CSSF should not be considered as an endorsement of the Issuer nor as an endorsement of the quality of the Notes and investors should make their own assessment as to the suitability of investing in the Notes. The CSSF gives no undertaking as to the economic and financial soundness of the transaction or the quality or solvency of the Issuer in accordance with Article 6(4) of the Luxembourg act dated 16 July 2019 on prospectuses for securities, as amended.

Application has been made to the Luxembourg Stock Exchange for the Notes to be admitted to trading on the professional segment of the regulated market of the Luxembourg Stock Exchange and to be listed on the Official List of the Luxembourg Stock Exchange.

References in this Prospectus to Notes being "**listed**" (and all related references) shall mean that such Notes have been admitted to trading on the Luxembourg Stock Exchange's regulated market and have been admitted to the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2014/65/EU).

This Prospectus is valid for 12 months from its date, i.e. until 5 March 2026, in relation to Notes which are to be admitted to trading on a regulated market in the European Economic Area (the "EEA") and/or offered to the public in the EEA other than in circumstances where an exemption is available under Article 1(4) and/or 3(2) of the Prospectus Regulation. The obligation to supplement this Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Prospectus is no longer valid.

The Notes are not intended to be sold and should not be sold to retail clients, as defined in MiFID II in the European Economic Area ("EEA") or to retail clients (as defined in Regulation (EU) No. 600/2014 as it forms part of domestic law in the United Kingdom ("UK") by virtue of the European Union (Withdrawal) Act 2018 ("EUWA") ("UK MiFIR")) in the UK. Prospective investors are referred to the section headed "Restrictions on marketing and sales to retail investors" on pages 11 and 12 of this Prospectus for further information.

Investors in Hong Kong should not purchase the Notes in the primary or secondary markets unless they are professional investors (as defined in the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and its subsidiary legislation, "Professional Investors") only and understand the risks involved. The Notes are generally not suitable for, and are not intended to be offered, sold, distributed or otherwise made available to, retail investors.

The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended, (the "**Securities Act**"), and are subject to United States tax law requirements. The Notes are being offered outside the United States by the Managers (as defined in the section below entitled "**Subscription and Sale**") in accordance with Regulation S under the Securities Act ("**Regulation S**"), and may not be offered,

sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

The Notes will be in bearer form and in denominations of €200,000. The Notes will initially be in the form of a temporary global note (the "**Temporary Global Note**"), without interest coupons, which will be deposited on or around the Issue Date with a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**"). The Temporary Global Note will be exchangeable, in whole or in part, for interests in a permanent global note (the "**Permanent Global Note**", together with the Temporary Global Note, the "**Global Note**"), without interest coupons, not earlier than 40 days after the Issue Date upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership. The Permanent Global Note will be exchangeable in certain limited circumstances in whole, but not in part, for Notes in definitive form in denominations of €200,000 and with interest coupons attached. See "*Overview of Provisions Relating to the Notes in Global Form*".

The Notes are expected to be rated Ba2 by Moody's Investors Service Ltd. ("**Moody's**"). Moody's has, in its 2 January 2025 publication "Rating Symbols and Definitions", described a rating of "Ba2" in the following terms: "*Obligations rated Ba are judged to be speculative and are subject to substantial credit risk. Note: Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category*". This description has been extracted from information published by Moody's. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from the information published by Moody's, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Furthermore, as of the date of this Prospectus, the Issuer has been rated A- by S&P Global Ratings Europe Limited, French Branch ("**Standard & Poor's**") and A2 by Moody's. Issuers rated "A-" by Standard & Poor's are considered to have a strong capacity to meet financial commitments but are somewhat susceptible to adverse economic conditions and change in circumstances. Issuers rated "A2" by Moody's are considered to be subject to low credit risk.

As of the date of this Prospectus, Standard & Poor's and Moody's are not established in the EEA and have not applied for registration under Regulation (EC) No 1060/2009 (as amended) (the "**CRA Regulation**").

Joint Bookrunners

GOLDMAN SACHS INTERNATIONAL **MORGAN STANLEY**

Joint Lead Manager

BIL

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IMPORTANT NOTICES

This Prospectus comprises a prospectus for the purposes of Article 6.3 of the Prospectus Regulation. When used in this Prospectus, "**Prospectus Regulation**" means Regulation (EU) 2017/1129.

The Issuer accepts responsibility for the information contained in this Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus to the best of its knowledge is in accordance with the facts and contains no omission likely to affect its import.

The Issuer has confirmed to the Managers named under "*Subscription and Sale*" below (the " **Managers**") that this Prospectus contains all information regarding the Issuer and the Notes which is (in the context of the issue of the Notes) material; such information is true and accurate in all material respects and is not misleading; any opinions, predictions or intentions expressed in this Prospectus on the part of the Issuer are honestly held or made and are not misleading; this Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in such context) not misleading; and all proper enquiries have been made to ascertain and to verify the foregoing.

The Issuer has not authorised the making or provision of any representation or information regarding the Issuer or the Notes other than as contained in this Prospectus or as approved for such purpose by the Issuer. Any such representation or information should not be relied upon as having been authorised by the Issuer or the Managers.

Save for the Issuer, no other party has independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Managers or any of their respective affiliates as to the accuracy or completeness of the information contained or incorporated in this Prospectus or any other information provided by the Issuer in connection with the offering of the Notes. No Manager accepts any liability in relation to the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer in connection with the offering of the Notes or their distribution.

Neither the delivery of this Prospectus nor the offering, sale or delivery of any Note shall in any circumstances create any implication that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer or the Issuer's consolidated subsidiaries taken as a whole (the "**BIL Group**" or the "**Group**") since the date of this Prospectus or that the information contained in this Prospectus is true subsequent to the date hereof or that any other information supplied in connection with the Notes is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. Each recipient of this Prospectus shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer and the BIL Group.

Neither this Prospectus nor any other information supplied in connection with the offering of the Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or any of the Managers that any recipient of this Prospectus or any other information supplied in connection with the offering of the Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Prospectus nor any other information supplied in connection with the offering of the Notes constitutes an offer or invitation by or on behalf of the Issuer or any of the Managers to any person to subscribe for or to purchase any Notes.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy the Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. Neither the Issuer nor the Managers represent that this Prospectus may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any

such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Managers which is intended to permit a public offering of the Notes or the distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Notes. For a description of certain restrictions on offers, sales and deliveries of Notes and on distribution of this Prospectus and other offering material relating to the Notes, see "*Subscription and Sale*".

In particular, the Notes have not been and will not be registered under the Securities Act and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the U.S. or to U.S. persons.

Prospective investors should have regard to the factors described in the section headed "*Risk Factors*" herein.

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should assess, either on its own or with the help of its financial and other professional advisers, whether it:

(a) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;

(b) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

(c) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency (see also – "*Risk Factors – Factors which are material for the purpose of assessing the risks associated with the Notes – Foreign currency notes expose investors to foreign-exchange risks as well as to issuer risk*" below);

(d) understands thoroughly the terms of the Notes and is familiar with the behaviour of any relevant financial markets; and

(e) is able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Capitalised terms which are used but not defined in any particular section of this Prospectus will have the meaning attributed to them in "*Terms and Conditions of the Notes*" or any other section of this Prospectus.

In this Prospectus, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area, references to "**EUR**", "**€**" or "**euro**" are to the single currency introduced

at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty establishing the European Community as amended.

Certain figures included in this Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

This Prospectus is to be read in conjunction with all information which is deemed to be incorporated herein by reference (see "*Information Incorporated by Reference*"). This Prospectus should be read and construed on the basis that such information is incorporated in and forms part of the Prospectus.

Other than in relation to the documents which are deemed to be incorporated by reference (see "*Information Incorporated by Reference*"), the information on the websites to which this Prospectus refers does not form part of this Prospectus and has not been scrutinised or approved by the CSSF.

Alternative Performance Measures

The Issuer has included certain alternative performance measures ("**APMs**") in this Prospectus. These APMs are presented because the Group's management believes they help investors and analysts compare the Group's performance and liquidity across different reporting periods.

APMs are not accounting measures within the scope of IFRS Accounting Standards as adopted by the EU ("**IFRS**") and may not appear on the primary financial statements or their footnotes. They may not be comparable to similarly titled measures of other companies. The assumptions underlying the APMs have not been audited according to International Standards on Auditing (ISA) or any other generally accepted auditing standards.

Investors should carefully consider the financial statements of the Issuer incorporated by reference in this Prospectus when evaluating the APMs. Although some data has been derived from these financial statements, it has not been audited or reviewed by independent statutory auditors.

These APMs are used by management to evaluate the Issuer's overall performance. They are not audited, reviewed, or subject to review by the Issuer's independent statutory auditors and are not required by, or presented in accordance with, IFRS. Therefore, APMs should not be considered as alternatives to performance measures prepared in accordance with IFRS. Many APMs are based on the Issuer's internal estimates, assumptions, calculations, and expectations of future results, which are not guaranteed.

Investors are cautioned not to place undue reliance on these APMs. They should not be considered in isolation, as alternatives to IFRS information, or as measures of the Issuer's profitability or liquidity. APMs must be considered only in addition to, and not as a substitute for, financial information prepared in accordance with IFRS. Investors are advised to review these APMs alongside the audited consolidated annual financial statements incorporated by reference in this Prospectus.

Restrictions on marketing and sales to retail investors

The Notes discussed in this Prospectus are complex financial instruments with high risk. They are not a suitable or appropriate investment for all investors, especially retail investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Notes. Potential investors in the Notes should inform themselves of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the Notes (or any beneficial interests therein).

In the UK, the Financial Conduct Authority (the "**FCA**") Conduct of Business Sourcebook ("**COBS**") requires, in summary, that the Notes should not be offered or sold to retail clients (as defined in COBS 3.4 and each a "**retail client**") in the UK.

In addition, in October 2022, the Hong Kong Monetary Authority (the "**HKMA**") issued guidance on enhanced investor protection measures on the sale and distribution of debt instruments with loss-absorption features (such as the Notes) and related products (the "**HKMA Circular**"). Under the HKMA Circular, debt instruments with loss absorption features, being subject to the risk of being written-down or converted to ordinary shares, and investment products that invest mainly in, or whose returns are closely linked to the performance of such instruments (together, "**Loss Absorption Products**"), are to be targeted in Hong Kong at professional investors (as defined in the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (the "**SFO**") and any subsidiary legislations or rules made under the SFO, "**Professional Investors**") only and are generally not suitable for retail investors in either the primary or secondary markets.

Potential investors should inform themselves of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the Notes (or any beneficial interests therein), including the COBS and the HKMA Circular.

Investors in Hong Kong should not purchase the Notes in the primary or secondary markets unless they are Professional Investors and understand the risks involved. The Notes are generally not suitable for, and are not intended to be offered, sold, distributed or otherwise made available to, retail investors.

The Issuer and the Joint Lead Managers are each required to comply with some or all of the COBS and/or the HKMA Circular. By purchasing, or making or accepting an offer to purchase, any Notes (or a beneficial interest in such Notes) from the Issuer and/or any of the Joint Lead Managers, each prospective investor represents, warrants, agrees with and undertakes to the Issuer and each of the Joint Lead Managers that:

(a) it is not a retail client in the UK;

(b) if it is in Hong Kong, it is a Professional Investor;

(c) whether or not it is subject to the COBS or the HKMA Circular, it will not:

    (i) sell or offer the Notes (or any beneficial interests therein) to retail clients in the UK or to a retail investor in Hong Kong; or

    (ii) communicate (including the distribution of this Prospectus) or approve an invitation or inducement to participate in, acquire or underwrite the Notes (or any beneficial interests therein) where that invitation or inducement is addressed to or disseminated in such a way that it is likely to be received by a retail client in the UK or any customer in Hong Kong who is not a Professional Investor,

    and in selling or offering the Notes (or any beneficial interests therein) or making or approving communications relating to the Notes (or any beneficial interests therein), it may not rely on the limited exemptions set out in the COBS.

The obligations above are in addition to the need to comply at all times with all other applicable laws, regulations and regulatory guidance (whether inside or outside the EEA, the UK or Hong Kong) relating to the promotion, offering, distribution and/or sale of the Notes (or any beneficial interests therein), whether or not specifically mentioned in this Prospectus, including (without limitation) any requirements under MiFID II, the UK FCA Handbook, the HKMA Circular and any other applicable laws, regulations and regulatory guidance relating to determining the appropriateness and/or suitability of an investment in the Notes (or any beneficial interests therein) for investors in any relevant jurisdiction.

Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, the Notes (or any beneficial interests therein) from the Issuer and/or the Joint Lead Managers the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client.

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PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or both) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or both) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA ("**UK MiFIR**"). Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

MIFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

UK MIFIR product governance / Professional investors and ECPs only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in UK MiFIR; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

In connection with the issue of the Notes, Goldman Sachs International (the "Stabilisation Manager") (or persons acting on behalf of the Stabilisation Manager) may over allot Notes or effect transactions with a view to supporting the price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the Issue Date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must

be conducted by the Stabilisation Manager (or persons acting on behalf of the Stabilisation Manager) in accordance with all applicable laws and rules.

SINGAPORE SFA PRODUCT CLASSIFICATION: In connection with Section 309B of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "SFA") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with the Notes are described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.

Risk Factors relating to the Issuer

1. Risks relating to the Issuer's activities

1.1 Credit risk

As a credit institution, the Issuer is exposed to the creditworthiness of its customers and counterparties. The Issuer may suffer losses related to the inability of its customers or other counterparties to meet their financial obligations. Nevertheless, counterparties classified as "Investment Grade" represent a large majority of the Issuer's total exposure.

One of the components of the solvency ratio is the risk-weighted assets ("**RWA**") that are used to determine the minimum amount of capital that must be held by banks and other institutions to reduce the risk of insolvency. During 2022, the Bank continued to strengthen its credit risk identification and measurement capabilities by implementing a number of material changes as per its Credit Risk & ECL Roadmap. These changes relate to Governance and Reporting (for example enriching the Credit Risk Dashboard with new or improved metrics), International Financial Reporting Standard 9 – *Financial Instruments* ("**IFRS 9**") (Staging and Management Overlays) and Sectorial monitoring. Moreover, on Credit Risk Pillar I model framework in 2022, BIL continued to invest time and resources in ensuring that it continues to comply with regulatory standards. During 2022, there were many challenges addressed to comply with the regulations, most notably the EBA IRB Repair Programme of which: (i) The PD, LGD and CCF Retail/Wealth models developed in 2020 have been approved by the European Central Bank (the "**ECB**"), as well as a new LGD SME/Mid Corp model and, (ii) In order to further simplify the model landscape and address regulatory issues, regulatory capital requirements for the Financial Institution exposures have reverted to the Standardised Approach (ECB approval effective as of January 2023).

To also note that beyond regulatory matter, the Risk team has continued to develop a RAROC approach and simulation tools in order to enhance the accurate view on Bank's return on capital.

The standardised method is also used for the calculation of the weighted operational risks of the Issuer. As at 31 December 2023, the Issuer's total RWAs amounted to EUR 11.8 billion, compared with EUR 10.4 billion at end of 2022.

Risk Weighted Assets growth of about EUR 1.4 billion between 2022 and 2023 is mainly driven by credit risk. Credit risk growth is related to the credit risk models and commercial loans' portfolio. It should also be mentioned that there is a robust follow-up regarding credit quality of the exposures, whether they are classified as non-performing or if with the forborne status, as follows:

- *Non-performing exposures – Non-performing loans*

According to the EBA definition, Non-Performing Exposures ("**NPE**") correspond to files classified in default, or in pre-litigation (past due period > 90 days) or all files from counterparties whose pre-litigated exposure represent at least 20% of their total exposure. Exposures in respect of which a default is considered to have occurred and exposures that have been identified as impaired are always considered as NPE. As of 31 December 2023, BIL Group's NPE amounted to EUR 784 million (compared to 596 million in the end of 2022), leading to a ratio NPE/Total loan exposures of 4.3%. This deterioration in the quality of our assets is mainly attributable (i) to the RRE portfolios, in particular the variable rate and/or bridging loan borrowers, and to a greater extent (ii) to the Specialised Lending Real Estate portfolio and its two components: IPRE and ADC (property development).

- *Forborne exposures*

  According to the EBA definition: "Forborne exposures are debt contracts in respect of which forbearance measures have been extended. Forbearance measures consist of concessions towards a debtor facing or about to face difficulties in meeting their financial commitments" (the "**Forborne Exposures**"). Those measures include the granting of extensions, postponements, renewals or changes in credit terms and conditions, including the repayment plan. As of 31 December 2023, BIL Group's Forborne Exposures amounted to EUR 526 million leading to a ratio Forborne Exposures/Total Exposures of approximately 2.9%.

The Bank is following cautiously all of these exposures and more globally the economic situation, notably related to the interest rate and inflation levels. Nevertheless, the Issuer cannot assume that it will not have to make significant additional provisions for possible bad and doubtful debts in future periods.

1.2 Money laundering, terrorist financing and other illegal or improper activities

The Issuer is exposed to risks of fraud and other illegal activities, which could have a material adverse effect on the Issuer's business and financial condition.

A major focus of governmental policy towards financial institutions in recent years has been fighting money laundering and terrorist financing. The risk that financial institutions will be subjected to or used for bribery or money laundering is higher in less developed markets. One of the core pillars of the Issuer's strategy being private banking and wealth management operations. The Issuer is subject to greater compliance and regulatory risks and costs.

Regulations applicable to the Issuer impose obligations to maintain effective policies, procedures, and controls to detect, prevent and report money laundering and terrorist financing, and to verify the identity of its clients. Failure to maintain and implement adequate programmes to combat money laundering and terrorist financing could have serious consequences, such as regulatory, litigation and reputational risks.

The Issuer closely monitors and reviews its anti-money laundering and terrorist financing framework on an ongoing basis, as part of its risk mitigation strategy.

1.3 ICT & Security Risk

Information and Communication Technology ("**ICT**") and security risk includes notably risk of loss due to:

- breach of confidentiality, failure of integrity of systems and data;
- inappropriateness or unavailability of systems and data;
- inability to change information technology within a reasonable time and with reasonable costs when the environment or business requirements change;
- security risks resulting from inadequate or failed internal processes;

- external events including cyber-attacks; and
- inadequate physical security to protect BIL's information and information systems.

Events can be categorised in multiple ways and may be the result of deliberately malicious acts, such as a hacker carrying out an attack with the aim of compromising sensitive information, but they may also be unintentional, such as user error that makes a system temporarily unavailable. Risk events may come from sources outside the organisation, such as cybercriminals or supply chain partners, or sources inside the organisation such as employees or contractors. The Issuer has set up a dedicated governance on ICT and Security Risk Management to frame the management of ICT risks, and define:

- the objective and scope of ICT & Security risk management;
- the high level operating model as well as roles and responsibilities across multiple lines of defense;
- the requirements for an ICT & Security risk management process for identifying, evaluating and treating these risks; and
- the requirements for the ICT & Security risk reporting.

It is also important to mention the Business Continuity Management and Crisis Management Risk framework that define the objectives, methodology and governance to ensure the continuity of the critical activities.

2. Risks relating to the Issuer's structure and funding requirements

2.1 Concentration Risk

The concentration risk is the exposure(s) that may arise within or across different risk categories throughout the Issuer with the potential to produce: (i) losses large enough to threaten the Issuer's health or ability to maintain its core operations or (ii) a material change in the Issuer's risk profile. Concentration risk can have an impact on Issuer's capital, liquidity, and earnings.

For example, an Issuer highly dependent for its profits on a single business sector and/or a single geographic area may be affected to a greater extent by sectoral or regional business cycles. Different sources of income may not be independent of each other. These interdependencies should be considered when assessing concentration risk. The business concentration may increase vulnerability regarding specific cycles, business and geographic specialisation may still enhance the performance of the Issuer, since focusing on specific sectors, products or regions may generate business concentration risk.

Some concentration risks have been identified in connection with the Issuer as following:

- *Geographical concentration risk:*

  Such risk describes the level of risk in the Issuer's portfolio arising from concentration to a single sector or country. This risk arises from the observation that more concentrated portfolios are less diverse and therefore the returns on the underlying assets are more correlated. As far as the Issuer is concerned, the concentration risk is considered as one of main risks with the highest potential impact on the Issuer.

- *Business/Key clients concentration risk:*

  In 2023 and in line with BIL Group's business model and strategy, the "Individuals", "SME" and "Self-Employed" segment remained the Issuer's largest portfolio, representing around 38% of the overall

exposure. The "Central Governments" exposure weighting about 14%, while the weight of "Corporate" is around 18%.

2.2 Liquidity risk

Liquidity risk measures the Issuer's ability to meet its current and future liquidity requirements, both expected and unexpected, whether the situation deteriorates.

The objective of liquidity management is to ensure that, always, the Issuer holds sufficient funds to meet its contracted and contingent commitments to customers and counterparties, at an economic price. All the main issues regarding liquidity risk are directly managed by the Issuer's "Asset and Liability Management" function, which manages the Issuer's resources and their use, in particular the adequacy of expected new lending production with the available resources and the Issuer's liquidity needs. In this context, the BIL Group addresses its structural liquidity risk through governance and controls put in place (realised by the Issuer's risk management department), as well as the follow up made of its main liquidity ratios.

The liquidity management process is based upon covering funding requirements with available liquidity reserves. Funding requirements are assessed carefully, dynamically and comprehensively by taking the existing and planned on and off-balance sheet asset and liability transactions into consideration.

The Issuer notably manages its liquidity needs through the regulatory liquidity ratios with a short-term view ("**LCR**", Liquidity Coverage Ratio) and with a long-term view ("**NSFR**", Net Stable Funding Requirement).

- LCR - is the main regulatory short-term liquidity reference indicator. It requires the Issuer to hold a sufficient level of high-quality liquid assets ("**HQLA**") to cover its total net cash outflows over 30 days. As of 31 December 2023, BIL Group's LCR amounted to 174%.

- NSFR - is a regulatory minimum requirement reflecting the longer-term liquidity position of an institution. It requires the available amount of stable funding ("**ASF**", Liability side) to exceed the required amount of stable funding ("**RSF**", Asset side) over a one-year period of extended stress. As of 31 December 2023, BIL Group's NSFR amounted to 124%.

2.3 Restatement of Capital Ratios and Potential Regulatory Sanctions

The Issuer has undertaken a reassessment of its Common Equity Tier 1 and Risk Weighted Assets for the financial year ending on 31 December 2023 and the six-month period ending on 30 June 2024. As a result of this reassessment, the Common Equity Tier 1 ratio of the Issuer after profit allocation was restated from 14.41% to 13.45% as of 31 December 2023, with Risk Weighted Assets restated from €11.4 billion to €11.8 billion. Similarly, the Common Equity Tier 1 ratio of the Issuer before profit allocation was restated from 13.88% to 12.74% as of 30 June 2024, with Risk Weighted Assets restated from €11.4 billion to €11.7 billion.

This restatement may have implications for the Issuer, including the potential for regulatory assessment and actions. The *Commission de Surveillance du Secteur Financier* (CSSF) may impose sanctions, including fines, on the Issuer as a consequence of the initial misstatement of its capital requirements. Such sanctions could have an adverse effect on the Issuer's financial condition, results of operations, and reputation.

3. Risks relating to the regulatory environment and the market

3.1 Regulatory risk

The Issuer being classified as "other systemically important institution" authorised in Luxembourg by the CSSF, the Issuer's business activities are subject to substantial regulation and regulatory oversight in the jurisdictions in which it operates. Current, together with future regulatory developments, including changes to accounting standards and the amount of regulatory capital required to support the risk, could have an adverse effect impacting on how the Issuer conducts its business and on the results of its operations. The Issuer's business and earnings are also affected by fiscal and other policies that are adopted by the various regulatory authorities of the European Union, foreign governments, and international agencies.

With the growing number of legal and prudential requirements, the Issuer has set up a group-wide legal and regulatory watch within its "Regulatory Affairs" department with the support of different regulatory experts, including "Risk and Finance" representatives.

3.2 Market risk

Market risks are all the risks linked to the fluctuations of market prices, including, principally, exposure to loss arising from adverse movements stemming from interest rates, credit spreads, foreign currency rates or equity prices. Due to the nature of its activity, the Issuer is prevented from assuming significant exposure to market risk. It does not act as a market maker and therefore has very small exposure mainly linked to its short-term cash management. Market risks generated by the commercial businesses are generally hedged and residual risks are handled by the asset and liability management function.

3.3 Geopolitical risk

The full-scale invasion of Ukraine launched by Russia had a severe negative impact on the global economy and led to downward revision of global growth expectations for 2023 and 2024. BIL's exposure to Russia remains relatively small. It is subject to regular credit and compliance reviews. The conflict, sanctions and related events could cause disruptions in the capital markets that could adversely affect the value or liquidity of financial instruments such as the Notes. The length of such a conflict or its consequences cannot be predicted.

Risk Factors relating to the Notes

1. Risks relating to the nature of the Notes

1.1 The Notes constitute deeply subordinated obligations

The Notes constitute direct, unsecured, unguaranteed and deeply subordinated obligations of the Bank. As a result, in the event of the dissolution or liquidation of the Bank (other than a voluntary liquidation in connection with a reconstruction, merger or amalgamation where the continuing corporation assumes all the liabilities of the Bank), the rights and claims of the Noteholders against the Bank in respect of or arising under (including any damages awarded for breach of any obligation under) the Notes shall rank as described in the Conditions. In particular, they shall (i) be junior to the rights and claims of Senior Creditors (as defined in the Conditions) (including holders of Tier 2 capital instruments), and (ii) be senior only to the rights and claims of shareholders and of any creditors of the Bank whose claims are or are expressed to be junior to the claims of Noteholders.

Before the occurrence of any event referred to above, holders of the Notes may already have lost the whole or part of their investment in the Notes as a result of a write-down of the principal amount of the Notes following a Trigger Event and/or a write-down or conversion into equity of the principal amount of the Notes in the event that the Bank is deemed to be at the point of non-viability (see Condition 9 (*Point of Non-Viability*) and "*The principal amount of the Notes may be reduced (Written Down) to absorb losses*" and "*A Noteholder may lose all of its investment in the Notes, including the principal amount plus any accrued but unpaid interest, in the event that statutory loss absorption occurs*" below). In the event of a dissolution or liquidation of the Bank (other than as set out in the Conditions), payment of any remaining principal amount not so written down to a Noteholder will, by virtue of such subordination, only be made after all obligations of the Bank resulting from unsubordinated claims with respect to the repayment of borrowed money, other unsubordinated rights and claims and higher ranking subordinated claims have been satisfied in full. If any such event occurs, the Bank may not have enough assets remaining after these payments to pay amounts due and payable under the Notes. A Noteholder may therefore recover less than the holders of unsubordinated or prior ranking subordinated liabilities of the Bank.

Although the Notes may pay a higher rate of interest than securities which are not, or not as deeply, subordinated, there is a real risk that an investor in deeply subordinated securities such as the Notes will lose all or some of its investment should the Bank become insolvent.

1.2 The Bank is not prohibited from issuing additional debt, which may rank pari passu with or senior to the Notes

The Conditions do not limit the amount of liabilities ranking senior or *pari passu* in priority of payment to the Notes which may be incurred or assumed by the Bank from time to time, whether before or after the issue date of the Notes nor do they restrict the Bank in issuing Additional Tier 1 Capital Instruments with other write-down mechanisms or trigger levels or that convert into shares upon a trigger event. The Bank may be able to incur significant additional secured or unsecured unsubordinated indebtedness and/or prior-ranking subordinated indebtedness. If the Bank becomes insolvent or is liquidated, or if payment under any secured or unsecured unsubordinated and/or prior-ranking subordinated debt obligations is accelerated, the Bank's secured or unsecured unsubordinated or, as the case may be, prior-ranking subordinated lenders would be entitled to exercise the remedies available to them before the Noteholders.

If any event referred to in the risk factor "*The Notes constitute deeply subordinated obligations*" above were to occur, the Bank may not have enough assets remaining after these payments to pay amounts due and payable under the Notes and the Noteholders may therefore recover rateably less (if anything) than the lenders of the Bank's secured or unsecured unsubordinated debt and/or prior-ranking subordinated debt in the event of the Bank's bankruptcy or liquidation. Even if the claims of senior ranking creditors would be satisfied in full, Noteholders may still not be able to recover the full amount due because the proceeds of the remaining assets must be shared *pro rata* among all other creditors holding claims ranking *pari passu* with the claims of the Noteholders in respect of the Notes.

Also, the issue of additional capital instruments with interest cancellation provisions similar to the Notes may increase the likelihood of (partial) interest payment cancellations under the Notes if the Bank is not able to generate sufficient Distributable Items or to maintain adequate capital buffers to make interest payments falling due on all outstanding capital instruments of the Bank in full. See "*The Bank may elect not to pay interest on the Notes*" and "*The Bank may in certain circumstances be required not to pay interest on the Notes*" below.

If the Bank's financial condition were to deteriorate, investors could suffer direct and materially adverse consequences, including suspension of interest and reduction of interest and principal and, if the Bank were liquidated (whether voluntarily or involuntarily), investors could suffer loss of their entire investment.

1.3 The Conditions do not provide for events of default allowing acceleration of the Notes

The Conditions do not provide for events of default allowing acceleration of the Notes if certain events occur, for example if the Bank fails to pay any amount of interest or principal when due. Also, the Notes cannot cross default based on non-payment on other Notes.

No Noteholder may exercise or claim any right of set-off, compensation, counterclaim, netting or retention in respect of any amount owed to it by the Bank arising under or in connection with the Notes.

1.4 There is variation or substitution risk in respect of the Notes

The Bank may if a Tax Event, a Regulatory Event, a Loss Absorption Disqualification Event or an Alignment Event has occurred and is continuing, subject to compliance with any conditions prescribed under Applicable Banking Regulations, but without any requirement for the consent or approval of the Noteholders, substitute the Notes or vary the terms of the Notes provided that they remain or, as appropriate, become compliant with Applicable Banking Regulations with respect to Additional Tier 1 Capital and that such substitution or variation shall not result in terms that are materially less favourable to the Noteholders (as reasonably determined by the Bank). Following such variation or substitution the resulting Notes must have, *inter alia*, the same ranking and interest rate and redemption rights. Nonetheless, no assurance can be given as to whether any of these changes will negatively affect any particular investor. In addition, the tax and stamp duty consequences of holding such varied or substitution Notes could be different for some categories of investors from the tax and stamp duty consequences of their holding the Notes prior to such variation or substitution.

In addition, the Conditions contain provisions for convening meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Conditions also provide that the Agent may, without the consent of Noteholders, agree to (i) any modification of the Notes and the Conditions which is made to correct a manifest error and (ii) any modification of the Agency Agreement which is of a formal, minor or technical nature, is made to correct a manifest error or is, in the opinion of the parties to the Agency Agreement, not materially prejudicial to the interests of the Noteholders.

It is possible that any varied or substitution Notes will contain conditions that are contrary to the investment criteria of certain investors. Any resulting sale of the Notes, or of the varied or substituted Notes, may be adversely affected by market perception of and price movements in the terms of the varied or substituted Notes.

2. ***The Notes may be subject to principal reduction linked to the Bank's CET1 Ratio***

2.1 The principal amount of the Notes may be reduced (Written Down) to absorb losses

The Notes are intended to be eligible as Additional Tier 1 Capital of the Bank. Accordingly, if the Solo CET1 Ratio or the Consolidated CET1 Ratio falls below 7.00 per cent. as determined by the Bank, the Regulator or any entity appointed by or acting on behalf of the Regulator (a "**Trigger Event**"), the Prevailing Principal

Amount of the Notes will be reduced by the lower of an amount at least sufficient to immediately cure the Trigger Event or the amount necessary to reduce the Prevailing Principal Amount of the Notes to one cent, and any accrued but unpaid interest will be cancelled. A Principal Write-down may occur at any time on one or more occasions (provided, however, that the principal amount of a Note shall never be reduced to below one cent). Any Principal Write-down of the Notes shall not constitute a default of the Bank. Investors shall not be entitled to any compensation or to take any action to cause the dissolution or liquidation of the Bank in the event of a Principal Write-down (without prejudice to any principal amount subsequently written-up at the discretion of the Bank in accordance with the Principal Write-up mechanism as set out in Condition 8 (*Principal Write-down and Principal Write-up*)).

A Principal Write-down is expected to occur simultaneously with the concurrent *pro rata* write-down or conversion into equity of the prevailing principal amount of any Loss Absorbing Instruments (as defined in the Conditions) or converted into equity (in each case in accordance with its conditions) on the occurrence, or as a result, of the Solo CET 1 Ratio or the Consolidated CET1 Ratio falling below a certain trigger level). However, this will not necessarily be the case. In particular, investors must note that to the extent such write-down or conversion into equity of any Loss Absorbing Instruments is not effective for any reason (i) the ineffectiveness of any such write-down or conversion into equity shall not prejudice the requirement to effect a Principal Write-down of the Notes and (ii) the write-down or conversion into equity of any other Loss Absorbing Instruments which is not effective shall not be taken into account in determining the Write-down Amount of the Notes. Therefore, the write-down or conversion into equity of other Loss Absorbing Instruments is not a condition for a Principal Write-down of the Notes and, as a result of failure to write down or convert into equity such other Loss Absorbing Instruments, the Write-down Amount of the Notes may be higher. Noteholders may lose all or some of their investment as a result of such a Principal Write-down of the Prevailing Principal Amount of the Notes. In particular, the Bank may be required to write down the Prevailing Principal Amount of the Notes following the occurrence of a Trigger Event such that the Solo CET 1 Ratio and the Consolidated CET1 Ratio is restored to a level higher than 7.00 per cent. In such an event, the Write-down Amount will be greater than the amount by which the then Prevailing Principal Amount would have been written down if the Bank had been required to write down the Prevailing Principal Amount of the Notes to the extent necessary thereby to restore the Solo CET 1 Ratio and the Consolidated CET1 Ratio to 7.00 per cent.

Furthermore, it is possible that, following a material decrease in the Solo CET 1 Ratio and the Consolidated CET1 Ratio, a Trigger Event in relation to the Notes occurs simultaneously with a trigger event in relation to other Loss Absorbing Instruments having a higher trigger level. If this were to occur, the Prevailing Principal Amount of the Notes will be reduced *pro rata* with such Loss Absorbing Instruments having a higher trigger level up to an amount sufficient to restore the Solo CET 1 Ratio and the Consolidated CET1 Ratio to at least 7.00 per cent. provided that, with respect to each other Loss Absorbing Instrument (if any), such *pro rata* write-down and/or conversion shall only be taken into account to the extent required to restore the Solo CET 1 Ratio and the Consolidated CET1 Ratio to the lower of (x) such other Loss Absorbing Instrument's trigger level and (y) 7.00 per cent., in each case, in accordance with the terms of the relevant instruments and the Applicable Banking Regulations. Any *pro rata* reduction of the Prevailing Principal Amount of the Notes may potentially be higher than that applied to other Additional Tier 1 Capital Instruments if the write-down or conversion of such other securities is ineffective for any reason.

The Bank's future outstanding junior and *pari passu* ranking securities might not include write-down or similar features with triggers comparable to those of the Notes. As a result, it is possible that the Notes will be subject to a Principal Write-down, while junior and *pari passu* ranking securities remain outstanding and continue to receive payments. Also, the Conditions do not in any way impose restrictions on the Bank following a Principal Write-down, including restrictions on making any distribution or equivalent payment in connection with any junior or *pari passu* ranking securities.

Investors may lose all or some of their investment as a result of a Principal Write-down or of reaching the point of non-viability or of the application of certain resolution tools (see "*A Noteholder may lose all of its investment in the Notes, including the principal amount plus any accrued but unpaid interest, in the event that statutory*

loss absorption occurs" below). Although (in case of a Principal Write-down only following a Trigger Event) the Conditions allow for the principal amount to be written-up again in certain circumstances at the Bank's discretion, due to the limited circumstances in which a Principal Write-up may be undertaken (as described in the paragraph below) any reinstatement of the Prevailing Principal Amount of the Notes and recovery of such investment may take place over an extended period of time or not at all. In addition, during the period of any Principal Write-down pursuant to Condition 8 (*Principal Write-down and Principal Write-up*), interest will accrue on the reduced principal amount of the Notes and its payment is subject to the Bank having sufficient Distributable Items and, if applicable, sufficient Consolidated Net Profit and the MDA not being exceeded.

The written down principal amount will not be automatically reinstated if the Solo CET 1 Ratio and the Consolidated CET1 Ratio is restored above a certain level. It is the extent to which the Bank makes a profit (on a consolidated basis) from its operations (if any) that will affect whether the principal amount of the Notes may be reinstated to its Original Principal Amount. The Bank's ability to write-up the principal amount of the Notes will depend on certain conditions, such as there being sufficient Consolidated Net Profit and, if applicable, the MDA not being exceeded. No assurance can be given that these conditions will ever be met. Moreover, even if met, the Bank will not in any circumstances be obliged to write-up the principal amount of the Notes. Also the Regulator has the power to prohibit a write-up if the Bank fails (or is likely to fail) to comply with applicable regulations. However, if any write-up were to occur, it will have to be undertaken on a *pro rata* basis with any other instruments qualifying as Additional Tier 1 Capital providing for a reinstatement of principal amount in similar circumstances that have been subject to a write-down (see Condition 8 (*Principal Write-down and Principal Write-up*)).

The market price of the Notes is expected to be affected by any actual or anticipated write-down of the principal amount of the Notes as well as by the Bank's actual or anticipated ability to write-up the reduced principal amount to its original principal amount.

2.2 The Solo CET 1 Ratio and the Consolidated CET1 Ratio will be affected by a number of factors, any of which may be outside the Bank's control, as well as by its business decisions and, in making such decisions, the Bank's interests may not be aligned with those of the investors

The market price of the Notes is expected to be affected by fluctuations in the Solo CET 1 Ratio and/or the Consolidated CET1 Ratio of the Bank. The level of either the Solo CET 1 Ratio and/or the Consolidated CET1 Ratio may significantly affect the trading price of the Notes.

The occurrence of a Trigger Event is inherently unpredictable and depends on a number of factors, any of which may be outside the Bank's control. The calculation of the Solo CET 1 Ratio and/or the Consolidated CET1 Ratio could be affected by one or more factors, including, among other things, changes in the mix of the Bank and the BIL Group's business, major events affecting the Bank's earnings, dividend payments by the Bank, accounting changes, regulatory changes (including the imposition of additional minimum capital or capital buffer requirements or changes to definitions and calculations of regulatory capital ratios and their components or the changes to the interpretation thereof by the relevant authorities or case law), foreign currency movements, revisions to models used by the Bank to calculate its capital requirements (or revocation of, or amendments to, the regulatory permissions for using such models), and the Bank and the BIL Group's ability to manage Risk Weighted Assets (as defined in the Conditions) in both its ongoing businesses and those which it may seek to exit or enter. The impact of these factors on the calculation of the Solo CET1 Ratio may be different from their impact on the calculation of the Consolidated CET1 Ratio. This may, in turn, lead to certain divergences between the Solo CET 1 Ratio and the Consolidated CET1 Ratio.

Investors will not be able to monitor movements in the Solo CET 1 Ratio and the Consolidated CET1 Ratio or any MDA on a continuous basis and it may therefore not be foreseeable when a Trigger Event may occur or whether interest payments must be cancelled.

The Bank will have no obligation to consider the interests of investors in connection with its strategic decisions, including in respect of its capital management. Investors will not have any claim against the Bank relating to decisions that affect the business and operations of the Bank, including its capital position, regardless of

whether they result in the occurrence of a Trigger Event. Such decisions could cause investors to lose all or part of the value of their investment in the Notes.

The Bank currently publishes the Consolidated CET1 Ratio on a semi-annually basis. This may mean investors are given limited warning of any deterioration in the Solo CET 1 Ratio and the Consolidated CET1 Ratio. Investors should also be aware that the Solo CET 1 Ratio and the Consolidated CET1 Ratio may be calculated as at any date and, as a result thereof, a Trigger Event may occur as at any date.

The Bank's Consolidated CET 1 Ratio at 30 June 2024 stood at 12.74%. Periodic differences between the Bank's Solo CET1 Ratio and BIL Group's Consolidated CET Ratio may result from technical adjustments, e.g. inclusion of H1 profits in the Group 30 June Consolidated CET Ratio.

Due to the uncertainty regarding whether a Trigger Event will occur, it will be difficult to predict when, if at all, the Prevailing Principal Amount of the Notes may be written down. Accordingly, the trading behaviour of the Notes may not necessarily follow the trading behaviour of other types of subordinated securities.

2.3 Many aspects of the manner in which CRD IV and the amendments to BRRD are implemented into Luxembourg law and interpreted remain uncertain and may be subject to change

Many of the defined terms in the Conditions depend on the interpretation of CRD IV and BRRD. CRD IV is a set of rules and regulations that imposes a series of requirements, many of which will be phased in over a number of years. CRD IV and BRRD have been implemented into Luxembourg law and the CRR is directly applicable in Luxembourg. Measures provided for under these texts are further amended, expanded or strengthened from time to time. Most recently, on 27 October 2021 the European Commission presented a legislative package (the "**EU Banking Reform Proposals**") to finalise the implementation within the European Union of the Basel III agreement adopted by the Group of Central Bank Governors and Heads of Supervision ("**GHOS**") on 7 December 2017, which led to the adoption of:

- Regulation (EU) 2024/1623 (also known as "**CRR III**") amending CRR with regard to (amongst other things) requirements on credit risk, credit valuation adjustment risk, operational risk, market risk and the output floor on 31 May 2024, which will be applicable as of 1 January 2025 with some provisions already being applicable since 9 July 2024;

- Directive (EU) 2024/1619 (also known as "**CRD VI**") amending CRD IV with regard to (amongst other things) requirements on supervisory powers, sanctions, third-country branches and ESG risks on 31 May 2024, which must be transposed into national law by Member States by 10 January 2026; and

- Regulation (EU) 2022/2036 amending CRR and BRRD with regard to (amongst other things) requirements on the prudential treatment of G-SII (as defined below) groups with a multiple point of entry resolution strategy and a methodology for the indirect subscription of instruments eligible for meeting the MREL requirements (the "**Daisy-Chain Regulation**"), adopted on 19 October 2022, which partially started to apply on 14 November 2022. For these purposes, "**G-SII**" means a G-SII that has been identified in accordance with Article 131(1) and (2) of Directive 2013/36/EU.

In the impact assessment accompanying the legislative package leading to the adoption of the aforementioned Regulation and Directives, the European Commission estimated, on the basis of a European Banking Authority ("**EBA**") impact study dated December 2020 and of additional European Commission estimates for some EU-specific adjustments, that the implementation of the final Basel III standards may result in an average increase in total minimum capital requirements ranging between 6.4% and 8.4% after a full implementation thereof. On the basis of the EBA's updated impact analysis taking into account the combined effect of the reform and the potential consequences of the COVID-19 health crisis, the European Commission opted to apply the new capital requirements to EU banks as of 1 January 2025, with a phase-in period during which the requirements will be gradually increased through 2030 (and 2032 for certain requirements).

It should be noted that, in the case of the amendments to CRD IV and BRRD, their terms and effect will depend, in part, on how they are transposed in each Member State. Accordingly, it is currently not possible to predict the exact impact of the adoption of these Directives and Regulation on the Bank and the BIL Group.

A failure by the Bank to comply with MREL requirements means the Bank could become subject to the MDA restrictions on certain discretionary payments, including payments on the Notes, as the required amount of MREL 'sits below' the combined buffer requirements.

There can be no assurance that any of the minimum own funds requirements, additional own funds requirements, MREL requirements or buffer capital requirements applicable to the Bank will not be amended in the future to include new and more onerous capital requirements (including a leverage ratio buffer), which in turn may affect the Bank's capacity to make payments of interest on the Notes.

Furthermore, the Regulator has a number of powers and discretions (including requiring the Bank to suspend the payment of interest on the Notes) which would apply if the Bank fails (or is likely to fail) to comply with applicable regulations.

The determination of the MDA is particularly complex. The MDA imposes a cap on the Bank's ability to pay interest on the Notes, and on the Bank's ability to reinstate the Original Principal Amounts of the Notes following a reduction upon the occurrence of a Trigger Event.

Such legislative and regulatory uncertainty could affect an investor's ability to value the Notes accurately and therefore affect the market price of the Notes given the extent and impact on the Notes of one or more regulatory or legislative changes.

2.4 A Noteholder may lose all of its investment in the Notes, including the principal amount plus any accrued but unpaid interest, in the event that statutory loss absorption occurs

In addition to being subject to a possible write-down as a result of the occurrence of a Trigger Event in accordance with the Conditions, the Notes may also be subject to a permanent write-down or conversion into CET1 instruments (in whole or in part) in circumstances where the competent resolution authority, in its discretion, determines that the Bank or the Group has reached the point of non-viability.

BRRD contains various resolution powers which may be used by the relevant resolution authority and which include, amongst others, the power to write down certain claims of unsecured creditors of a failing relevant entity (which write-down may result in the reduction of such claims to zero) and to convert certain unsecured debt claims (including the Notes) to equity or other instruments of ownership (the "**general bail-in tool**"), which equity or other instruments of ownership could also be subject to any future application of the general bail-in tool.

Accordingly, potential investors in the Notes should consider the risk that the general bail-in tool may be applied in such a manner as to result in Noteholders losing all or a part of the value of their investment in the Notes or receiving a different security than the Notes, which may be worth significantly less than the Notes and which may have significantly fewer protections than those typically afforded to debt securities. Moreover, the relevant resolution authority may exercise its authority to apply the general bail-in tool without providing any advance notice to the Noteholders. The exercise of any power under BRRD or any suggestion of such exercise could, therefore, materially adversely affect the rights of the Noteholders, the price or value of their investment in the Notes and/or the ability of the Bank to satisfy its obligations under the Notes.

3 Risks relating to payment of interest

3.1 The Bank may elect not to pay interest on the Notes

Interest on the Notes will be due and payable only at the sole discretion of the Bank, and the Bank shall have sole and absolute discretion at all times and for any reason to cancel (in whole or in part) any interest payment

that would otherwise be payable on any Interest Payment Date. If the Bank does not make an interest payment on the relevant Interest Payment Date (or if the Bank elects to make a payment of a portion, but not all, of such interest payment), such non-payment shall evidence the Bank's exercise of its discretion to cancel such interest payment (or the portion of such interest payment not paid), and accordingly such interest payment (or the portion thereof not paid) shall not be due and payable.

Because the Notes are intended to qualify as Additional Tier 1 Capital under CRR, the Bank may cancel (in whole or in part) any interest payment on the Notes at its discretion and may pay dividends on its ordinary shares notwithstanding such cancellation. In addition, the Bank may without restriction use funds that could have been applied to make such cancelled payments to meet its other obligations as they become due.

Cancelled interest shall not be due and shall not accumulate or be payable at any time thereafter, and Noteholders shall have no rights thereto or to receive any additional interest or compensation as a result of such cancellation. Furthermore, no cancellation of interest in accordance with the terms of the Notes shall constitute a default in payment or otherwise under the terms of the Notes. Failure to provide notice to the Noteholders will not have any impact on the effectiveness of, or otherwise invalidate, any such cancellation of interest, or give Noteholders any rights as a result of such failure.

Any actual or anticipated cancellation of interest on the Notes will likely have an adverse effect on the market price of the Notes.

3.2 The Bank may be required not to pay interest on the Notes

Distributable Items relate to the Bank's profits and distributable reserves determined on the basis of the Bank's non-consolidated accounts as further described in the Conditions. The amount of Distributable Items available to pay interest on the Notes may be affected, *inter alia*, by other discretionary interest payments on other (existing or future) capital instruments, including Common Equity Tier 1 ("**CET1**") distributions and any write-ups of principal amounts of Discretionary Temporary Write-down Instruments (if any). In addition, the amount of Distributable Items may potentially be adversely affected by the performance of the business of the Bank in general, factors affecting its financial position (including capital and leverage ratios and requirements), the economic environment in which the Bank operates and other factors outside of the Bank's control. Adjustments to earnings, as determined by the board of directors of the Bank, may furthermore fluctuate significantly and may materially adversely affect Distributable Items of the Bank.

The Maximum Distributable Amount is a concept which will apply in circumstances where the Bank does not meet certain combined capital buffer requirements (see "*The Solo CET 1 Ratio and the Consolidated CET1 Ratio will be affected by a number of factors, any of which may be outside the Bank's control, as well as by its business decisions and, in making such decisions, the Bank's interests may not be aligned with those of the investors*" above). This requires (pursuant to CRD IV) that institutions that fail to meet their applicable combined capital buffer requirements, are subject to restrictions on discretionary payments (which include interest amounts on the Notes and any write-ups of principal amounts (if applicable)).

The restrictions will be scaled according to the extent of the breach of the combined buffer requirement and calculated as a percentage of the institution's profits for the most recent relevant period. Such calculation will result in a maximum distributable amount ("**Maximum Distributable Amount**" or "**MDA**") in each relevant period.

Moreover in the event that the combined buffer requirement is no longer met by the credit institution, the Regulator may impose more stringent restrictions on distributions of the credit institution. Further, there can be no assurance that any of the combined buffer requirements applicable to the Bank and/or the BIL Group will not be increased in the future, which may exacerbate the risk that discretionary payments, including payments of interest on the Notes, are cancelled.

The amount of CET1 capital required to meet the combined buffer requirements will be relevant to assess the risk of interest payments being cancelled. The market price of the Notes is likely to be affected by any

fluctuations in the Solo CET 1 Ratio and/or the Consolidated CET1 Ratio. Any indication or perceived indication that this ratio is tending towards the write-down trigger of 7.00 per cent. or the MDA trigger level may have an adverse impact on the market price of the Notes.

Noteholders may not be able to predict accurately the proximity of the risk of discretionary payments (of interest and/or principal) on the Notes being restricted from time to time. In any event, the Bank will have discretion as to how the MDA will be applied if insufficient to meet all expected distributions and is not obliged to take the interest of investors in the Notes into account.

Furthermore, the developing TLAC/MREL framework, once implemented may impose further restrictions on the Issuer's ability to pay interest on the Notes (see "*Many aspects of the manner in which CRD IV and the amendments to BRRD are implemented into Luxembourg law and interpreted remain uncertain and may be subject to change*" above). In particular, the EU Banking Reform Proposals (as defined above) introduced consequences of breaching MREL requirements relating to the combined buffer requirement and MDA breach. A failure by the Issuer to comply with MREL requirements means the Issuer could become subject to the MDA restrictions on certain discretionary payments, including payments on the Notes, as the required amount of MREL 'sits below' the combined buffer requirements.

Furthermore, no interest will be paid on any principal amount that has been written down following a Trigger Event in accordance with the Conditions and no interest may be paid on any principal amount that has been written down following any statutory loss absorption. The payment of interest on any remaining principal amount following such write-down is subject to the Bank having sufficient Distributable Items and the MDA not being exceeded (see "*The principal amount of the Notes may be reduced (Written Down) to absorb losses*" and "*A Noteholder may lose all of its investment in the Notes, including the principal amount plus any accrued but unpaid interest, in the event that statutory loss absorption occurs*" above).

Investors shall have no further rights in respect of any interest not paid and shall not be entitled to any compensation or to take any action to cause the dissolution or liquidation of the Bank in the event any interest is not paid. Furthermore, cancellation of interest payments shall not in any way impose restrictions on the Bank, including restricting the Bank from making distributions or equivalent payments in connection with obligations junior to, or *pari passu* with, the Notes.

Any actual or anticipated cancellation of interest on the Notes will likely have an adverse effect on the market price of the Notes. Furthermore, the Notes may trade with accrued interest, which may be reflected in the trading price of the Notes. However, if a payment of interest on any Interest Payment Date is cancelled (in whole or in part) as described herein and thus is not due and payable, purchasers of such Notes will not be entitled to such interest payment on the relevant Interest Payment Date.

In addition, as a result of the interest cancellation provisions of the Notes, the market price of the Notes may be more volatile than the market prices of other debt securities on which interest accrues which is not subject to such cancellation and may be more sensitive generally to adverse changes in the Bank's financial condition. Any indication that the Solo CET 1 Ratio and the Consolidated CET1 Ratio is trending towards the write-down trigger of 7.00 per cent. or the MDA trigger level or that the available Distributable Items are decreasing may have an adverse effect on the market price of the Notes.

3.3 A reset of the interest rate could affect the market value of an investment in the Notes

Unless previously redeemed, the Rate of Interest of the Notes will be reset as from the First Reset Date and as from each date which falls five, or an integral multiple of five, years after the First Reset Date. Such Rate of Interest will be determined two Business Days prior to the relevant Reset Date and as such is not pre-defined at the date of issue of the Notes; it may be lower than the Initial Interest Rate and may adversely affect the yield or market value of the Notes.

4. Risks relating to redemption of the principal amount of the Notes

4.1 No scheduled redemption

The Notes are undated in respect of which there is no fixed redemption or maturity date. The Issuer is under no obligation to redeem the Notes at any time (see Condition 4 (*Redemption and Purchase*)); although the Conditions include several options for the Issuer to redeem the Notes, there is no contractual incentive for the Issuer to exercise any of these call options and the Issuer has full discretion under the Conditions not to do so for any reason. There will be no redemption at the option of investors.

This means that Noteholders have no ability to cash in their investment, except:

(i) if the Issuer exercises its rights to redeem or purchase the Notes;

(ii) by selling their Notes; or

(iii) by claiming for any principal amounts due and not paid in any dissolution or liquidation (other than as set out in the Conditions) of the Issuer.

Accordingly there is uncertainty as to when (if ever) an investor in the Notes will receive repayment of the Prevailing Principal Amount of the Notes.

4.2 The Notes are subject to optional early redemption at any time in the six months prior to (and including) the First Reset Date (7 March 2031), on each Interest Payment Date thereafter or at any time upon the occurrence of a Tax Event, a Regulatory Event or a Loss Absorption Disqualification Event, subject to certain conditions

Subject to certain conditions, the Bank may, at its option, redeem the Notes, in whole but not in part, at their Prevailing Principal Amount, together with any accrued but unpaid interest (which excludes any interest cancelled or deemed cancelled as provided in Condition 3 (*Interest Cancellation*)) to (but excluding) the date fixed for redemption, if a Regulatory Event, a Tax Event or a Loss Absorption Disqualification Event has occurred, as provided under Condition 4 (*Redemption and Purchase*). If 75 per cent. or more of the aggregate principal amount of the Notes originally issued has been purchased by the Issuer or by others for the Issuer's account and cancelled, then the Issuer may, if certain conditions are met, redeem the Notes, in whole but not in part, at their Prevailing Principal Amount, together with any accrued but unpaid interest which the Issuer decides in its absolute discretion that it will pay (excluding any interest which has been cancelled or deemed cancelled in accordance with the Conditions) to (but excluding) the date of redemption. In addition, the Bank may, at its option, redeem the Notes, in whole but not in part, (i) at any time in the six months prior to (and including) 7 March 2031 or (ii) on any Interest Payment Date (as defined herein) thereafter, at their Prevailing Principal Amount, together with any accrued but unpaid interest (if any) which the Bank decides in its absolute discretion that it will pay (which excludes any interest cancelled or deemed cancelled as provided in Condition 3 (*Interest Cancellation*)) to (but excluding) the date fixed for redemption. If the Bank redeems the Notes, Noteholders may not be able to reinvest the redemption proceeds in Notes offering a comparable yield. Furthermore, Noteholders have no right to require the Bank to redeem the Notes.

4.3 Limitation on gross-up obligation under the Notes

The Bank's obligation to pay additional amounts in respect of any withholding or deduction in respect of taxes under the terms of the Notes applies only to payments of interest due and paid under the Notes and not to payments of principal. As such, the Bank would not be required to pay any additional amounts under the terms of the Notes to the extent any withholding or deduction applied to payments of principal. Accordingly, if any such withholding or deduction were to apply to any payments of principal under the Notes, Noteholders may receive less than the full amount due under the Notes, and the market value of the Notes may be adversely affected.

5. Risks relating to the trading market and value of the Notes

5.1 Reform and Regulation of "benchmarks"

Interest rates and indices which are deemed to be "benchmarks" are the subject of recent regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on securities linked to or referencing such a "benchmark". Regulation (EU) 2016/1011 (as amended, the "**Benchmarks Regulation**") was published in the Official Journal of the European Union on 29 June 2016 and became applicable from 1 January 2018. The Benchmarks Regulation applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation in making any investment decision with respect to the Notes.

The Conditions provide for certain fallback arrangements in the event that the Mid-Swap Rate or other relevant reference rates and including any page on which such benchmark may be published (or any successor service)), becomes unavailable or a Benchmark Event otherwise occurs, including the possibility that the rate of interest could be set by reference to a successor rate or an alternative reference rate and that such successor rate or alternative reference rate may be adjusted (if required), all as determined by the Issuer in consultation with an Independent Adviser, acting in good faith in a commercially reasonable manner. Any adjustment spread could be positive, negative or zero. In making such determinations, it is possible that the interests of the Issuer may not align with those of the Noteholders. No Successor Rate or Alternative Rate will be adopted, nor will the applicable Adjustment Spread be applied, nor will any Benchmark Amendments be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to cause the then current or future disqualification of the Notes as Additional Tier 1 Capital. In certain circumstances the ultimate fallback for the purposes of calculation of interest for a particular Interest Period may result in the rate of interest being determined using the Original Reference Rate last displayed on the relevant Screen Page prior to the relevant Reset Determination Date effectively resulting in the application of a fixed rate of interest.

Any such consequences could have a material adverse effect on the trading market for, liquidity of, value of and return on the Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Issuer to meet its obligations under the Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Notes. Investors should consider these matters when making their investment decision with respect to the Notes.

5.2 Change of law and jurisdiction may impact the Notes

The Conditions are governed by Luxembourg law in effect as at the date of issue of the Notes. No assurance can be given as to the impact of any possible judicial decision or change to Luxembourg law or administrative practice after the date of issue of the Notes.

In addition, any relevant tax law or practice applicable as at the date of this Prospectus may change at any time (including following the issuance of the Notes).

Such changes in law may include, but are not limited to, the introduction of a variety of statutory resolution and loss absorption tools which may affect the rights of Noteholders issued by the Bank, including the Notes. Any such change may have an adverse effect on a Noteholder, including that the Notes may be redeemed before their due date, their liquidity may decrease and/or the tax treatment of amounts payable or receivable by or to an affected Noteholder may be less favourable than otherwise expected by such Noteholder.

5.3 There is no active trading market for the Notes

The Notes will be new securities which may not be widely distributed and for which there is currently no active trading market. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although applications have been made for the Notes to be admitted to listing on the on the professional segment of the regulated market of the Luxembourg Stock Exchange, there is no assurance that such applications will be accepted, that the Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Notes.

5.4 Credit ratings may not reflect all risks

The Issuer's credit ratings are an assessment by the relevant rating agencies of its ability to pay its debts when due. Consequently, real or anticipated changes in its credit ratings will generally affect the market value of the Notes. One or more independent credit rating agencies may assign credit ratings, including on an unsolicited basis, to the Notes. The ratings may not reflect the potential impact of all risks related to the structure and marketing of the Notes and additional factors discussed in this Prospectus or any other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold and may be revised, suspended or withdrawn by the rating agency at any time. Furthermore, there can be no assurance that no change in the Issuer's credit ratings or ratings outlook (including downwards) will occur in the near or distant future. Such change could modify the cost of debt financing or impact the Issuer's access to debt capital markets.

INFORMATION INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with (i) the audited consolidated financial statements of the Issuer as of and for the financial years ended 31 December 2022, and 31 December 2023, including the reports of the independent statutory auditors in respect thereof and (ii) the unaudited interim condensed consolidated financial statements of the Issuer as of and for the six-month period ended 30 June 2024, which have been filed with the CSSF and are incorporated by reference in this Prospectus.

The following documents which have previously been published and have been filed with the CSSF shall be incorporated by reference in, and form part of, this Prospectus:

(a) the independent statutory auditors' report and audited consolidated and non-consolidated annual financial statements as of and for the financial year ended 31 December 2022 of the Issuer including the information set out at the following pages in particular (https://www.bil.com/Documents/brochures/annual-report-2022-en.pdf);

(b) the independent statutory auditors' report and audited consolidated and non-consolidated annual financial statements as of and for the financial year ended 31 December 2023 of the Issuer including the information set out at the following pages in particular (https://www.bil.com/Documents/brochures/annual-report-2023-en.pdf);

	Annual Report 2023	**Annual Report 2022**
Alternative Performance Measures	50	46
Audit Report on the Consolidated Financial Statements	54-62	51-55 (inclusive)
Consolidated Balance Sheet	64-65	56-57 (inclusive)
Consolidated Statement of Income	66	58
Consolidated Statement of Comprehensive Income	67	59
Consolidated Statement of Changes in Equity	68-69	60-61 (inclusive)
Consolidated Cash Flow Statement	70-71	62-63 (inclusive)
Notes to the Consolidated Financial Statements	72-182	64-181 (inclusive)
Audit Report on the Parent Company Financial Statements	186-194	185-189 (inclusive)
Parent Company Balance Sheet	196-197	190-191 (inclusive)
Parent Company Statement of Income	198	192

Parent Company Statement of Comprehensive Income	199	193
Parent Company Statement of Changes in Equity	200-201	194-195 (inclusive)
Parent Company Cash Flow Statement	202-203	196-197 (inclusive)
Notes to the financial statements of the Parent Company	204-282	198-285 (inclusive)

(c) the unaudited semi-annual report of the Issuer as of and for the six-month period ended 30 June 2024 including the information set out at the following pages in particular (https://www.bil.com/Documents/brochures/semi-annual-report-2024-en.pdf);

	Page Number
Report on Review of Interim Condensed Consolidated Financial Statements	32
Consolidated Balance Sheet	34-35
Consolidated Statement of Income	36
Consolidated Statement of Comprehensive Income	37
Consolidated Statement of Changes in Equity	38-39
Consolidated Cash Flow Statement	40-41
Notes to the Interim Condensed Consolidated Financial Statements	42-82

Any non-incorporated parts of a document referred to herein (which, for the avoidance of doubt, means any parts not listed in the cross-reference list above) are either deemed not relevant for an investor or are otherwise covered elsewhere in this Prospectus.

OVERVIEW

This overview is a general description of the Notes and should be read as an introduction to this Prospectus and any decision to invest in the Notes should be based on a consideration of the Prospectus as a whole, including the documents incorporated by reference.

Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Prospectus have the same meanings in this overview. Reference to "Conditions" or "Terms and Conditions" in this Prospectus are to the Terms and Conditions of the Notes.

Issuer:	Banque Internationale à Luxembourg, *société anonyme* (the "**Bank**", the "**Issuer**" or "**BIL**").
Joint Bookrunners	Goldman Sachs International and Morgan Stanley & Co. International plc
Joint Lead Manager	Banque Internationale à Luxembourg, *société anonyme*.
Fiscal Agent:	Banque Internationale à Luxembourg, *société anonyme*.
The Notes:	€300,000,000 7.250 per cent. Fixed Rate Resettable Callable Perpetual Additional Tier 1 Capital Notes.
Issue Price:	100 per cent. of the principal amount of the Notes.
Issue Date:	7 March 2025.
Maturity Date:	Not Applicable.
Form and Denomination:	The Notes will be issued in bearer form in denominations of €200,000.
Status:	The Notes constitute direct, unsecured, unguaranteed and subordinated obligations of the Bank and shall at all times rank *pari passu* and without any preference among themselves. The rights and claims of the Noteholders and the Couponholders in respect of or arising from the Notes and the Coupons (including any damages awarded for breach of obligations in respect thereof) are subordinated to the claims of Senior Creditors.
No Set-off:	No Noteholder or Couponholder may exercise, claim or plead any right of set-off, compensation, counterclaim, netting or retention in respect of any amount owed to it by the Bank arising under, or in connection with, the Notes or Coupons and each Noteholder or Couponholder shall, by virtue of its holding of any Notes or Coupons (as the case may be), be deemed to have waived all such rights of set-off, compensation, counterclaim, netting or retention.
Bank's Call Option:	Subject to Condition 4(g) (*Conditions to redemption and purchase*), the Bank may redeem the Notes, in whole but not in part, on any day in the period commencing on (and including) 7 September 2030 and ending on (and including) 7 March 2031 (the "**First Reset Date**") and on any Interest Payment Date after the First Reset Date (together with the First Reset Date, each an "**Optional Call Date**") in each case at their Prevailing Principal Amount, together with any accrued but unpaid interest (if any) which the Bank decides in its absolute discretion that it will pay (which excludes any interest cancelled or deemed cancelled in accordance with

Condition 3 (*Interest Cancellation*)) from (and including) the Interest Payment Date immediately preceding the date fixed for redemption (or, if none, the Issue Date) to (but excluding) the date fixed for redemption.

The Bank shall not be entitled to redeem the Notes pursuant to Condition 4(b) (*Bank's call option*) on an Optional Call Date if on the relevant redemption date, the Prevailing Principal Amount of the Notes is lower than their Original Principal Amount.

"**Prevailing Principal Amount**" means, in respect of a Note at any time, the Original Principal Amount of such Note as reduced by any Principal Write-down of such Note (on one or more occasions) at or prior to such time pursuant to Condition 8 (*Principal Write-down and Principal Write-up*) and, if applicable following any Principal Write-down, as subsequently increased by any Principal Write-up of such Note (on one or more occasions) at or prior to such time pursuant to Condition 8 (*Principal Write-down and Principal Write-up*).

Conditions to Redemption and Purchase:

The Bank may redeem or purchase the Notes in accordance with Condition 4 (*Redemption and Purchase*) (and give notice thereof to the Noteholders) subject to the following, in each case solely to the extent permitted by the Applicable Banking Regulations and in particular with Articles 77 and 78 of the CRR in effect as at the Issue Date:

(i) compliance with any conditions prescribed by the Applicable Banking Regulations, including prior approval of the Regulator and compliance with the Regulatory Procedures; and

(ii) in the case of a redemption upon the occurrence of a Regulatory Event, the Bank shall deliver to the Fiscal Agent a certificate signed by the Bank stating that a Regulatory Event has occurred and the Bank is entitled to effect such redemption; and

(iii) in the case of a redemption upon the occurrence of a Tax Event, the Bank shall deliver to the Fiscal Agent (i) a certificate signed by the Bank stating that a Tax Event has occurred and that the Bank is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Bank so to redeem have occurred and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Bank has or will become subject to a Tax Event.

"**Applicable Banking Regulations**" means CRD IV, the BRR Act 2015, the Financial Sector Law, the CSSF Regulation N°18-03 on the implementation of certain discretions of the CRR, any laws, regulations or acts implementing CRD IV and BRRD and any delegated or implementing acts (such as regulatory technical standards) adopted by the European Commission and applicable to the Bank (in particular the RTS on own funds) and, at any time, the laws, regulations, circular letters and other requirements, standards, guidelines and policies relating to capital adequacy for credit institutions of either (i) the Regulator and/or (ii) any other national or European authority, in each case then in effect in

Luxembourg (or in such other jurisdiction which is the home member state of the Bank as defined in CRR, CRD IV Directive, BRRD, the BRR Act 2015 and the Financial Sector Law ("**Home Member State**")) and applicable to the Bank or the Group.

"**Regulator**" means (a) as applicable in accordance with regulation (EU) No 1024/2013, the European Central Bank, or any successor or replacement to it, (b) the CSSF or such other authority of Luxembourg (or if the Home Member State of the Bank becomes a jurisdiction other than Luxembourg, such other jurisdiction) which assumes or performs the functions, as at the Issue Date, performed by such authority or authorities or such other or successor authority exercising primary supervisory authority with respect to prudential matters in relation to the Bank and (c) in accordance with the BRR Act 2015 and Regulation (EU) No 806/2014, the Single Resolution Board, as applicable.

"**Regulatory Procedures**" means in respect of any redemption or purchase of the Notes:

(i) on or before such redemption or purchase (as the case may be) of the Notes, the Bank replaces the Notes with own funds instruments of an equal or higher quality on terms that are sustainable for its income capacity; or

(ii) the Bank has demonstrated to the satisfaction of the Regulator that the own funds of the Bank and the Group would, following such redemption or purchase (as the case may be), exceed its minimum capital requirements (including any capital buffer requirements) as set out in the CRR, BRR Act 2015 and Financial Sector Law by a margin that the Regulator may consider necessary on the basis set out in the CRR, BRR Act 2015 and Financial Sector Law for it to determine the appropriate level of capital of an institution.

Redemption for Tax Event: Subject to the conditions set out in Condition 4(g) (*Conditions to redemption and purchase*) (as described in "*Conditions to Redemption and Purchase*" above), the Bank may, at its option, redeem the Notes, in whole but not in part, at their Prevailing Principal Amount, together with any accrued but unpaid interest (if any) which the Bank decides in its absolute discretion that it will pay (which excludes any interest cancelled or deemed cancelled in accordance with Condition 3 (*Interest Cancellation*)) from (and including) the Interest Payment Date immediately preceding the date fixed for redemption (or, if none, the Issue Date) to (but excluding) the date fixed for redemption, if as a result of a change in, or amendment to, the laws or regulations of a Taxing Jurisdiction, including any treaty to which the relevant Taxing Jurisdiction is a party, or any published change in the application or official interpretation or administration of such laws or regulations on or after the Issue Date, including a decision of any court or tribunal which becomes effective on or after the Issue Date:

(i) the Bank will or would be required to pay Additional Amounts; or

(ii) the Bank would no longer be entitled to claim a deduction in computing its taxable profits and losses in respect of interest payable on the Notes where prior to such change or amendment the Bank was entitled to claim such a deduction, or such deduction is or would be reduced or deferred;

(each such circumstance in paragraphs (i) to (ii) above, a "**Tax Event**");

provided that in the case of each Tax Event, the Issuer has demonstrated to the satisfaction of the Regulator that such change was material and was not reasonably foreseeable as at the Issue Date and the consequences of the Tax Event cannot be avoided by the Issuer taking reasonable measures available to it.

Redemption for Regulatory Event:

Subject to the conditions set out in Condition 4(g) (*Conditions to redemption and purchase*) (as described in "*Conditions to Redemption and Purchase"* above), upon the occurrence of a Regulatory Event, the Bank may, at its option, redeem the Notes, in whole but not in part, at their Prevailing Principal Amount, together with any accrued but unpaid interest (if any) which the Bank decides in its absolute discretion that it will pay (which excludes any interest cancelled or deemed cancelled in accordance with Condition 3 (*Interest Cancellation*)) from (and including) the Interest Payment Date immediately preceding the date fixed for redemption (or, if none, the Issue Date) to (but excluding) the date fixed for redemption.

"**Regulatory Event**" means a change in the regulatory classification of the Notes, on or after the Issue Date, that would be likely to result in their exclusion from own funds or reclassification as a lower quality form of own funds, and both the following conditions are met:

(i) the Regulator considers such a change to be sufficiently certain; and

(ii) the Bank demonstrates to the satisfaction of the Regulator that the regulatory reclassification of the Notes was not reasonably foreseeable at the Issue Date.

For the avoidance of doubt, a Regulatory Event shall not be deemed to have occurred in case of a partial exclusion of the Notes from the Additional Tier 1 Capital of the Bank on a solo and/or of the Group on a consolidated basis as a result of (i) a Principal Write-down or (ii) a change in the regulatory assessment of the tax effects of a Principal Write-down.

Redemption for Loss Absorption Disqualification Event:

Subject to the conditions set out in Condition 4(g) (*Conditions to redemption and purchase*) (as described in "*Conditions to Redemption and Purchase"* above), upon the occurrence of a Loss Absorption Disqualification Event, the Bank may, at its option, redeem the Notes, in whole but not in part, at their Prevailing Principal Amount, together with any accrued but unpaid interest (if any) which the Bank decides in its absolute discretion that it will pay (which excludes any interest cancelled or deemed cancelled in accordance with Condition 3 (*Interest Cancellation*)) from (and including) the Interest Payment Date

immediately preceding the date fixed for redemption (or, if none, the Issue Date) to (but excluding) the date fixed for redemption provided that, the Bank has demonstrated to the satisfaction of the Regulator that the change in the regulatory classification of the Notes was not reasonably foreseeable as at the Issue Date.

Notwithstanding the above, if the redemption pursuant to Condition 4(e) occurs prior to the fifth anniversary of the Issue Date, such redemption is subject to the Bank having, before or at the same time as such redemption, replaced the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Bank, and the Regulator having permitted such action on the basis of the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances (as provided for by Article 78(4)(d) CRR).

"**Loss Absorption Disqualification Event**" is deemed to have occurred if, as a result of any amendment to, or change in, any Loss Absorption Regulations, or any change in the application or official interpretation of any Loss Absorption Regulations, in any such case becoming effective on or after the Issue Date, the Notes are or (in the opinion of the Bank or the Regulator) are likely to become fully excluded from or ceasing to count towards the Bank's and/or the Group's minimum requirements for (A) own funds and eligible liabilities and/or (B) loss absorbing capacity instruments, in each case as such minimum requirements are applicable to the Bank and/or the Group and determined in accordance with, and pursuant to, the relevant Loss Absorption Regulations.

"**Loss Absorption Regulations**" means, at any time, any requirement contained in the laws, regulations, requirements, guidelines, rules, standards and policies relating to minimum requirements for own funds and eligible liabilities and/or loss absorbing capacity instruments of Luxembourg, the Regulator and/or of the European Parliament or of the Council of the European Union then in effect in Luxembourg and applicable to the Bank and/or the Group including, without limitation to the generality of the foregoing, any delegated or implementing acts (such as regulatory technical standards) adopted by the European Commission and any regulations, requirements, guidelines, rules, standards and policies relating to minimum requirements for own funds and eligible liabilities and/or loss absorbing capacity instruments adopted by the Regulator from time to time (whether such regulations, requirements, guidelines, rules, standards or policies are applied generally or specifically to the Bank or to the Group).

Bank's Clean-up Call Option:

If 75 per cent. or more of the aggregate principal amount of the Notes originally issued (and, for these purposes, any Write-down and/or Write-up of the principal amount of the Notes shall be ignored) has been purchased by the Bank or by others for the Bank's account and cancelled, then the Bank may, subject to the conditions set out in Condition 4(g) (*Conditions to redemption and purchase*) (as described in "*Conditions to Redemption and Purchase"* above), redeem the Notes, in whole but not in part, at their Prevailing Principal Amount, together with any accrued but unpaid interest (if any) which the Bank decides in its absolute discretion that it will pay (which excludes any interest cancelled or deemed cancelled in accordance with Condition 3 (*Interest Cancellation*)) from (and

including) the Interest Payment Date immediately preceding the date fixed for redemption (or, if none, the Issue Date) to (but excluding) the date fixed for redemption.

Notwithstanding the above, if the redemption pursuant to Condition 4(f) occurs prior to the fifth anniversary of the Issue Date, such redemption is subject to the Bank having, before or at the same time as such redemption, replaced the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Bank, and the Regulator having permitted such action on the basis of the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances (as provided for by Article 78(4)(d) CRR).

Substitution and Variation: Subject to the conditions set out in Condition 4(g) (*Conditions to redemption and purchase*) (as described in "*Conditions to Redemption and Purchase"* above), if a Regulatory Event, a Tax Event, a Loss Absorption Disqualification Event or an Alignment Event (each a "**Special Event**") has occurred and is continuing or in order to align the terms and conditions of the Notes to best practices published from time to time by the European Banking Authority resulting from its monitoring activities pursuant to Article 80 of the CRR, the Bank may at its option, without any requirement for the consent or approval of the Noteholders, substitute all (but not some only) of the Notes or vary the terms of all (but not some only) of the Notes so that they become or remain (as the case may be) Qualifying Securities.

"**Qualifying Securities**" means, at any time, any securities issued by the Bank that:

(A) contain terms which at such time comply with (x) the then current requirements of the Applicable Banking Regulations in relation to Additional Tier 1 Capital and (y) the Loss Absorption Regulations in relation to the Bank's and/or the Group's minimum requirement for own funds and eligible liabilities (which, for the avoidance of doubt, may result in such securities not including, or restricting for a period of time the application of, one or more of the Special Event redemption events which are included in the Notes);

(B) carry the same rights to redeem as set out in Condition 4(b) (*Redemption and Purchase - Bank's call option*) and the same rate of interest from time to time applying to the Notes prior to the relevant substitution or variation;

(C) rank *pari passu* with the Notes prior to the substitution or variation;

(D) shall not at the time of the relevant variation or substitution be subject to a Special Event;

(E) have terms not materially less favourable to the Noteholders than the terms of the Notes, as reasonably determined by the Bank, and provided that the Bank shall have delivered to the Fiscal Agent a certificate to that effect signed by the Bank;

(F) that if (A) the Notes were listed or admitted to trading on a Regulated Market immediately prior to the relevant substitution or

variation, are listed or admitted to trading on a Regulated Market or (B) if the Notes were listed or admitted to trading on a Recognised Stock Exchange other than a Regulated Market immediately prior to the relevant substitution or variation, are listed or admitted to trading on any Recognised Stock Exchange (including, without limitation, a Regulated Market), in either case as selected by the Bank; and

(G) where the Notes which have been substituted or varied had a published rating from a rating agency immediately prior to their substitution or variation, which rating was solicited by or on behalf of the Group, such rating agency has ascribed, or announced its intention to ascribe, an equal or higher published rating to the Qualifying Securities.

"**Additional Tier 1 Capital**" has the meaning given in the Applicable Banking Regulations from time to time.

"**Alignment Event**" means, at any time after the Issue Date, a change in, or amendment to, the Applicable Banking Regulations, or any change in the application or interpretation thereof, that results in the requirements for an instrument to qualify as Additional Tier 1 Capital and/or to comply with the minimum requirement for own funds and eligible liabilities applicable to the Bank and/or the Group being different in any respect from the Conditions.

"**Recognised Stock Exchange**" means a Regulated Market or another regulated, regularly operating, recognised stock exchange or securities market in an OECD member state.

"**Regulated Market**" means a market as defined by Article 4.1(21) of Directive 2014/65/EU of the European Parliament and of the Council on markets on financial instruments, as the same may be amended from time to time.

Interest: The Notes bear interest on their Prevailing Principal Amount:

(a) from (and including) the Issue Date, to (but excluding) 7 March 2031, at 7.250 per cent. per annum (the "**Initial Interest Rate**"); and

(b) in the case of each period from (and including) a Reset Date to (but excluding) the next following Reset Date (each such period, a "**Reset Period**"), the aggregate, converted from an annual basis to a semi-annual basis, of the applicable Mid-Swap Rate on the relevant Mid-Swap Rate Determination Date and the Margin (the "**Subsequent Interest Rate**"), unless a Benchmark Event has occurred, in which case the Subsequent Interest Rate shall be determined pursuant to and in accordance with Condition 2(h).

The Mid-Swap Rate shall be determined by reference to Reuters screen "ICESWAP2", subject to the fallback and other provisions set out in the Conditions.

Subject to cancellation of any interest payment (in whole or in part) pursuant to Condition 3 (*Interest Cancellation*) and Condition 8 (*Principal Write-down and Principal Write-up*), interest shall be payable semi-annually in arrear on 7 March and 7 September of each year commencing on 7 September 2025 (each, an "**Interest Payment Date**").

Interest Cancellation:

The Bank may, in its sole and absolute discretion, elect to cancel (in whole or in part) any interest payment that would otherwise be payable on any Interest Payment Date.

Furthermore, without prejudice to Condition 3(a) and to the prohibition to make payments under the Notes pursuant to the national legislation implementing Article 141(2) of the CRD IV Directive before the Maximum Distributable Amount is calculated, the Bank shall calculate the Maximum Distributable Amount in accordance with the national legislation implementing Article 141 of the CRD IV Directive and the Bank shall be required to cancel (in whole or in part, as applicable) any interest payment otherwise due on an Interest Payment Date if and to the extent that:

(a) the payment of such interest, when aggregated with any interest payments or distributions which have been paid or made or which are required to be paid or made on the Notes or any other own funds items in the then current financial year (excluding any such interest payments or distributions which are not required to be made out of Distributable Items) and any other amounts which the Regulator may require to be taken into account, would cause the amount of Distributable Items (if any) then available to the Bank to be exceeded;

(b) the payment of such interest would cause, when aggregated together with other distributions of the kind referred to in article 59-13(2) and (3) of the Financial Sector Law (transposing Article 141(2) of the CRD IV Directive) or any other relevant provisions of the Financial Sector Law and the Loss Absorption Regulations, the Maximum Distributable Amount (if any) then applicable to the Bank on a solo basis or the Group on a consolidated basis to be exceeded; or

(c) the Regulator orders the Bank to cancel the payment of interest.

Interest Payments (or any part thereof) not paid on any relevant Interest Payment Date by reason of any of the above shall be cancelled and shall not accumulate or be payable at any time thereafter. Non-payment of any interest payment (or part thereof) in accordance with any of the above will not constitute an event of default by the Bank for any purpose or a breach of the Bank's other obligations or duties or a failure to perform by the Bank in any manner whatsoever, will not entitle Noteholders and Couponholders to petition for the insolvency, dissolution or winding up of the Bank and Noteholders and Couponholders shall have no right to the

interest payment (or part thereof) not paid, whether in bankruptcy (*faillite*) or dissolution or as a result of the insolvency of the Bank or otherwise, or to receive any additional interest or compensation as a result of such cancellation or deemed cancellation.

See Condition 3 (*Interest Cancellation*).

Trigger Event:

A "**Trigger Event**" shall occur, at any time, if the Solo CET1 Ratio of the Bank or the Consolidated CET1 Ratio of the Group, as the case may be, is less than 7.00 per cent. as determined by the Bank, the Regulator or any entity appointed by or acting on behalf of the Regulator.

See Condition 8 (*Principal Write-down and Principal Write-up*).

Principal Write-down:

Upon the occurrence of a Trigger Event, a Principal Write-down will occur without delay but no later than within one month or such shorter period as may be required by the Regulator (such date being a "**Trigger Write-Down Date**").

On a Trigger Event Write-down Date, the Bank shall:

(1) irrevocably cancel all interest accrued on each Note up to (and including) the Trigger Event Write-down Date (whether or not the same has become due at such time); and

(2) irrevocably, but without prejudice to any Principal Write-up (as described below under "**Principal Write-up**"), reduce the then Prevailing Principal Amount of each Note by the relevant Write-down Amount with effect from the Trigger Event Write-down Date, such Principal Write-down to be effected, save as may be otherwise required by Applicable Banking Regulations and/or the Regulator and subject to Condition 8(a)(v), *pro rata* and concurrently with the Principal Write-down of the other Notes and the write-downs or conversion into equity (as the case may be) of the then prevailing principal amount of any other Loss Absorbing Instruments.

"**Write-down Amount**" means, on any Trigger Event Write-down Date, the amount by which the then Prevailing Principal Amount of each outstanding Note is to be Written Down and which is calculated per Note, being the lower of:

(i) the amount per Note (together with, subject to Condition 8(a)(v) (*Other Loss Absorbing Instruments*), the concurrent *pro rata* Principal Write-down of the other Notes and the write-down or conversion into equity of the prevailing principal amount of any other Loss Absorbing Instruments) that would be sufficient to immediately restore the Consolidated CET1 Ratio or the Solo CET1 Ratio, as the case may be, to at least 7.00 per cent.; or

(ii) if the amount determined in accordance with (i) above would be insufficient to restore the Consolidated CET1 Ratio or the Solo CET1 Ratio to 7.00 per cent., the amount

necessary to reduce the Prevailing Principal Amount of the Note to one cent.

If the Bank has (i) elected to redeem the Notes or (ii) given a notice of substitution or variation of the Notes pursuant to Condition 7(a) (*Substitution and Variation*) and after giving such notice but prior to the payment of the redemption amount with respect to such redemption, or the date of the substitution or variation, as applicable with respect to such substitution or variation of the Notes, a Trigger Event occurs, the relevant redemption notice shall be automatically rescinded and shall be of no force and effect, no payment of the redemption amount will be due and payable or no substitution or variation of the Notes will occur, as applicable, and instead, a Principal Write-down shall occur in respect of the Notes as described under Condition 8(a) (*Principal Write-down*).

Principal Write-up:

Subject to compliance with the Applicable Banking Regulations, if both a positive Solo Net Profit and a positive Consolidated Net Profit are recorded at any time while the Prevailing Principal Amount is less than the Original Principal Amount, the Bank may, at its full discretion and subject to the Maximum Distributable Amount and Maximum Write-up Amount not being exceeded and no Trigger Event having occurred and being continuing, increase the Prevailing Principal Amount of each Note (a "**Principal Write-up**") up to a maximum of its Original Principal Amount, on a *pro rata* basis with the other Notes and with any other Discretionary Temporary Write-Down Instruments capable of being written-up in accordance with their terms.

The "**Maximum Write-Up Amount**" means the lower of:

(i) the Solo Net Profit (a) multiplied by the aggregate issued original principal amount of all Written-Down Additional Tier 1 Instruments which qualify as Additional Tier 1 Capital of the Bank on a solo basis, and (b) divided by the Tier 1 Capital of the Bank calculated on a solo basis as at the date when the Principal Write-up is operated; and

(ii) the Consolidated Net Profit (a) multiplied by the aggregate issued original principal amount of all Written-Down Additional Tier 1 Instruments which qualify as Additional Tier 1 Capital of the Group on a consolidated basis, and (b) divided by the Tier 1 Capital of the Group calculated on a consolidated basis as at the date when the Principal Write-up is operated.

"**Discretionary Temporary Write-down Instruments**" means, at any time, any instrument (other than the Notes) issued directly by the Bank which at such time (a) qualifies as Additional Tier 1 Capital of the Bank on a consolidated basis, (b) has had all or some of its principal amount written-down and (c) has terms providing for a write-up or reinstatement of its principal amount, at the Bank's discretion, upon reporting a net profit.

"**Written-Down Additional Tier 1 Instrument**" means, at any time, any instrument qualifying as Additional Tier 1 Capital Instrument (including the Notes) issued directly by the Bank and which, immediately prior to the relevant Principal Write-up of the Notes at that time, has a prevailing

principal amount that, due to it having been written down, is lower than the original principal amount it was issued with.

See Condition 8 (*Principal Write-down and Principal Write-up*).

Ratings: The Notes are expected to be rated Ba2 by Moody's. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Purchases: Subject to the conditions set out in Condition 4(g) (*Conditions to redemption and purchase*) the Bank or any member of the Group may (subject to Article 51(1)(i) of the CRR) purchase or otherwise acquire any of the outstanding Notes (provided that all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise in accordance with article 52(1)(i) of the CRR *provided that* any such purchase may not take place within 5 years after the Issue Date unless permitted by Applicable Banking Regulations.

Withholding Tax: All payments of principal and interest in respect of the Notes and the Coupons shall be made free and clear of withholding taxes of Luxembourg or any political subdivision or authority thereof or therein, unless the withholding is required by law. In such event, the Bank shall, subject to customary exceptions, pay such additional amounts in respect of payments of interest (but not, for the avoidance of doubt, in respect of payments of principal) as will result in receipt by Noteholders and Couponholders of such amounts as would have been received by them had no such withholding or deduction been required.

See Condition 6 (*Taxation*).

Governing Law: The Notes, the Coupons, Fiscal Agency Agreement and the Subscription Agreement will be governed by Luxembourg law.

Listing and Trading: Application has been made for the Notes to be admitted to listing on the Official List of the Luxembourg Stock Exchange and for admission to trading on the professional segment of the regulated market of the Luxembourg Stock Exchange.

Clearing Systems: Euroclear and Clearstream, Luxembourg.

Selling Restrictions: See "*Subscription and Sale*".

Risk Factors: Investing in the Notes involves risks. See "*Risk Factors*".

TERMS AND CONDITIONS OF THE NOTES

The following, subject to alteration and completion and except for paragraphs in italics, are the terms and conditions of the Notes which (subject to modification) will be endorsed on each Note in definitive form.

In connection with the €300,000,000 7.250 per cent. Fixed Rate Resettable Callable Perpetual Additional Tier 1 Capital Notes (the "**Notes**", which expression includes any further notes issued pursuant to Condition 14 (*Further Issues*) and forming a single series therewith) of Banque Internationale à Luxembourg (the "**Bank**"). Banque Internationale à Luxembourg will act as fiscal agent (the "**Fiscal Agent**", which expression includes any successor fiscal agent appointed from time to time in connection with the Notes), paying agent (together with the Fiscal Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes) and as calculation agent (the "**Calculation Agent**", which expression includes any successor calculation agent appointed from time to time in connection with the Notes). References herein to the "**Agents**" are to the Fiscal Agent, the Paying Agents and the Calculation Agent and any reference to an "**Agent**" is to any one of them. The rights and claims of holders of the Notes (the "**Noteholders**") in respect of the Notes and the rights and claims of holders of the related interest coupons (the "**Couponholders**" and the "**Coupons**", respectively, which expressions shall, unless the context otherwise requires, include the holders of the Talons and the Talons (as defined below), respectively) in respect of or arising from the Coupons are at all times subject to the provisions set out in these terms and conditions of the Notes (the "**Conditions**" and, each of them, a "**Condition**").

The provisions in italics are for informational and explanatory purposes only and do not constitute a part of these Conditions.

1. Form, Denomination and Status

(a) *Form, denomination and title*

The Notes are serially numbered and in bearer form in the denomination of €200,000 (the "**Authorised Denomination**") with Coupons and talons (each, a "**Talon**") for further Coupons attached at the time of issue. Title to the Notes, the Coupons and the Talons will pass by delivery. The holder of any Note, Coupon or Talon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no person shall be liable for so treating such holder.

*The Notes will be represented on issue by a temporary global note in bearer form which will be exchangeable for interests in a permanent global note in bearer form (and together with the temporary global note, the "**Global Notes**"). The permanent global note will in turn be exchangeable for notes in definitive form in the limited circumstances specified therein. The Global Notes will be deposited on or about the issue date with a common depositary for the Clearing Systems.*

(b) *Status and subordination*

The Notes constitute direct, unsecured, unguaranteed and subordinated obligations of the Bank and shall at all times rank *pari passu* and without any preference among themselves. The rights and claims of the Noteholders and the Couponholders in respect of or arising from the Notes and the Coupons (including any damages awarded for breach of obligations in respect thereof) are subordinated to the claims of Senior Creditors.

If an order is made for the judicial liquidation (*liquidation judiciaire*) of the Bank or an effective resolution is passed for the voluntary liquidation (*liquidation volontaire*) of the Bank in accordance with the BRR Act 2015 (both types of liquidation proceedings together being

referred to as "**Liquidation**") the Noteholders shall be entitled to receive in respect of each Note an amount equal to the Prevailing Principal Amount of that Note, together with any interest accrued to such date which has not been cancelled as provided in Condition 3 (*Interest Cancellation*) or Condition 8 (*Principal Write-down and Principal Write-up*) and together with any damages awarded for breach of obligations in respect thereof, out of the liquidation proceeds after satisfaction of all claims of Senior Creditors and *pari passu* (by percentage of the amount payable) with the satisfaction of all claims of other creditors of the Bank (including holders of Additional Tier 1 Capital Instruments) ranking *pari passu* with the Notes, but prior to the satisfaction of the claims of the shareholders (including holders of CET 1 Capital) of the Bank in their capacity as shareholders and of any creditors of the Bank whose claims are, or are expressed to be, junior to the claims of the Noteholders.

The Notes are not secured nor subject to a guarantee that enhances the seniority of the claims of the Noteholders. For that purpose, no security or guarantee of whatever kind is, or shall at any time be, provided by the Bank or any other person securing or guaranteeing the rights of the Noteholders.

(c) *No set-off*

No Noteholder or Couponholder may exercise, claim or plead any right of set-off, compensation, counterclaim, netting or retention in respect of any amount owed to it by the Bank arising under, or in connection with, the Notes or Coupons and each Noteholder or Couponholder shall, by virtue of its holding of any Notes or Coupons (as the case may be), be deemed to have waived all such rights of set-off, compensation, counterclaim, netting or retention. Notwithstanding the preceding sentence, if any amounts due and payable to any Noteholder or Couponholder by the Bank in respect of, or arising under, the Notes or Coupons are discharged by set-off, such Noteholder or Couponholder shall immediately pay an amount equal to the amount of such discharge to the Bank (or the liquidator or administrator of the Bank, as the case may be) and, until such time as payment is made, shall hold an amount equal to such amount in a fiduciary (*fiduciaire*) capacity, or where applicable law permits, in trust for the Bank (or the liquidator or administrator of the Bank, as the case may be) and, accordingly, any such discharge shall be deemed not to have taken place.

(d) *No negative pledge*

There is no negative pledge in respect of the Notes.

(e) *Claims subject to Principal Write-down and subsequent Principal Write-up*

Any claim of any Noteholder in respect of or arising under the Notes for any amount of principal will be for the Prevailing Principal Amount of such Notes, irrespective of any failure or delay in giving the relevant Trigger Event Write-down Notice.

2. **Interest**

(a) *Interest accrual*

The Notes bear interest on their Prevailing Principal Amount at the applicable Rate of Interest from (and including) the Issue Date and the amount of such interest will (subject to Condition 3 (*Interest Cancellation*), Condition 5 (*Payments*) and Condition 8 (*Principal Write-down and Principal Write-up*)) be payable on each Interest Payment Date, in accordance with the provisions of this Condition 2 (*Interest*). Each Note will cease to bear interest from the date fixed for redemption (if any) unless, upon due presentation, payment of principal is improperly withheld or refused, in which case it will continue to bear interest in accordance with, and

subject to, the Conditions (both before and after judgment) until the day on which such principal is received by or on behalf of the relevant Noteholder.

(b) *Rate of interest*

(i) The rate of interest in respect of the period from (and including) the Issue Date to (but excluding) 7 March 2031 will be 7.250 per cent. per annum (the "**Initial Interest Rate**").

(ii) The rate of interest in respect of each period from (and including) a Reset Date to (but excluding) the next following Reset Date (each such period, a "**Reset Period**") shall be the aggregate, converted from an annual basis to a semi-annual basis, of the applicable Mid-Swap Rate on the relevant Mid-Swap Rate Determination Date and the Margin (the "**Subsequent Interest Rate**"), unless a Benchmark Event has occurred, in which case the Subsequent Interest Rate shall be determined pursuant to and in accordance with Condition 2(h).

The current market convention for semi-annual rate conversion from an annual rate is as follows:

$$2 \times \left(\sqrt{Mid - Swap\ Rate + Margin + 1} - 1\right)$$

(c) *Interest Payment Dates*

(i) Subject to Condition 3 (*Interest Cancellation*), Condition 8 (*Principal Write-down and Principal Write-up*) and paragraph (ii) below, interest, if any, will be payable semi-annually in arrear on 7 March and 7 September of each year commencing on 7 September 2025 (each, an "**Interest Payment Date**").

(ii) Subject to Condition 3 (*Interest Cancellation*) and Condition 8 (*Principal Write-down and Principal Write-up*), the first date on which interest may be paid will be 7 September 2025 for the period commencing on (and including) the Issue Date and ending on (but excluding) 7 September 2025.

(d) *Calculation of interest amount*

Subject to Condition 3 (*Interest Cancellation*), Condition 5 (*Payments*) and Condition 8 (*Principal Write-down and Principal Write-up*), the amount of interest payable in respect of each Note shall be calculated by applying the relevant Rate of Interest to the Authorised Denomination, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest cent (half a cent being rounded upwards) and multiplying such rounded figure by a fraction equal to the Prevailing Principal Amount of such Note divided by the Original Principal Amount.

If the Prevailing Principal Amount of the Notes changes on one or more occasions during any Accrual Period, the Calculation Agent shall separately calculate the amount of interest (in accordance with this Condition 2(d)) accrued on each Note for each period within such Accrual Period during which a different Prevailing Principal Amount subsists, and the aggregate of such amounts shall be the amount of interest payable (subject to Condition 8 (*Principal Write-down and Principal Write-up*) and to cancellation in whole or in part pursuant to Condition 3 (*Interest Cancellation*)) in respect of a Note for the relevant Accrual Period.

(e) *Determination of Subsequent Interest Rate*

Each Subsequent Interest Rate shall be determined by the Calculation Agent on the relevant Mid-Swap Rate Determination Date.

(f) *Publication*

The Calculation Agent will cause each Subsequent Interest Rate determined by it to be notified to the Bank, the Paying Agents and, if at any time the Notes are then admitted to trading and/or listed, the competent authority and/or stock exchange by which or on which the Notes have then been admitted to listing and/or trading as soon as possible after such determination but in any event not later than the relevant Reset Date. Notice thereof shall also be given to the Noteholders by the Calculation Agent in accordance with Condition 15 (*Notices*) as soon as possible after the determination thereof but in any event not later than the fourth TARGET Settlement Day thereafter.

(g) *Notifications etc. of Calculation Agent binding*

All notifications, opinions, communications, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 2 (*Interest*) by the Calculation Agent will (in the absence of manifest error) be final and binding (unless otherwise provided herein) on the Bank, the Paying Agents, the Noteholders and the Couponholders. No Noteholder or Couponholder shall be entitled to proceed against the Calculation Agent, the Paying Agents or any of them in connection with the exercise or non-exercise by them of their powers, duties and discretions hereunder, including without limitation in respect of any notification, opinion, determination, certificate, calculation, quotation or decision given, expressed or made for the purposes of this Condition 2 (*Interest*).

The Calculation Agent shall not be responsible to the Bank, the Noteholders, the Couponholders or any third party for any failure of the Reset Reference Banks to provide quotations as requested of them or as a result of the Calculation Agent having acted on any quotation or other information given by any Reset Reference Bank which subsequently may be found to be incorrect or inaccurate in any way.

(h) *Benchmark replacement*

If the Bank determines that a Benchmark Event occurs in relation to an Original Reference Rate when the Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the following provisions shall apply (with effect from 30 days prior to the first date after the occurrence of the Benchmark Event when such determination is necessary).

(i) *Independent Adviser*

The Bank shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to consult with the Bank in determining a Successor Rate, failing which an Alternative Rate (in accordance with Condition 2(h)(ii)) and, in either case, an Adjustment Spread and any Benchmark Amendments (in accordance with Condition 2(h)(iv)).

In making such determination, the Independent Adviser appointed pursuant to this Condition 2(h) and the Bank shall act in good faith and in a commercially reasonable manner. In the absence of bad faith or fraud, the Bank and the Independent Adviser shall have no liability whatsoever to the Bank, the Fiscal Agent, the Calculation Agent, or the Noteholders, as applicable, for any determination made by the Bank and/or for any advice given to the Bank in connection with any determination made by the Bank pursuant to this Condition 2(h).

If (i) the Bank is unable to appoint an Independent Adviser; or (ii) the Bank fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 2(h) prior to the date which is 10 business days prior to the relevant Reset Determination Date, the Rate of Interest applicable to the next succeeding Reset Period shall be determined using the Original Reference Rate last displayed on the relevant Screen Page prior to the relevant Reset Determination Date. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Reset Period only and any subsequent Reset Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 2(h)(i).

(ii) Successor Rate or Alternative Rate

If the Bank, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines that:

(A) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 2(h)) in respect of periods from the current Reset Period onwards or, if the Bank determines that a Benchmark Event has occurred prior to the first Reset Determination Date, from the First Reset Date onwards; or

(B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 2(h)) in respect of periods from the current Reset Period onwards or, if the Bank determines that a Benchmark Event has occurred prior to the first Reset Determination Date, from the First Reset Date onwards.

(iii) Adjustment Spread

The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be). If the Bank, following consultation with the Independent Adviser, is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or Alternative Rate (as applicable) will apply without an Adjustment Spread.

(iv) Benchmark Amendments

If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 2(h) and the Bank, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines (i) that amendments to these Conditions are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or the applicable Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Bank shall, subject to giving notice thereof in accordance with Condition 2(h)(v) without any requirement for the consent or approval of Noteholders, vary these Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Bank, but subject to receipt by the Fiscal Agent of a certificate signed by two authorised signatories pursuant to Condition 2(h)(v), the Fiscal Agent shall (at the expense of the Bank), without any requirement for the consent or approval of the Noteholders, be obliged to concur with the Bank in using its reasonable endeavours to effect any Benchmark Amendments, provided that the Fiscal Agent shall not be obliged so to concur if in the opinion of the Fiscal Agent doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the rights and/or protective provisions afforded to it in any document to which it is party (including, for the avoidance of doubt, any supplemental trust deed) in any way.

In connection with any such variation in accordance with this Condition 2(h), the Bank shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading. Any such variation in accordance with this Condition 2(h) is subject to Condition 7(b).

Notwithstanding any other provision of this Condition 2(h), no Successor Rate or Alternative Rate will be adopted, nor will the applicable Adjustment Spread be applied, nor will any Benchmark Amendments be made, if and to the extent that, in the determination of the Bank, the same could reasonably be expected to cause the then current or future disqualification of the Notes as Additional Tier 1 Capital.

(v) *Notices, etc.*

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 2(h) will be notified no later than 10 business days prior to the relevant Reset Determination Date by the Bank to the Fiscal Agent and, in accordance with Condition 15 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Noteholders of the same, the Bank shall deliver to the Fiscal Agent a certificate signed by two authorised signatories:

(A) confirming (a) that a Benchmark Event has occurred, (b) the Successor Rate or, as the case may be, the Alternative Rate, (c) the applicable Adjustment Spread and (d) the specific terms of the Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this Condition 2(h); and

(B) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread.

The Fiscal Agent shall be entitled to rely on such certificate (without liability or enquiry to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the Fiscal Agent's ability to rely on such certificate as aforesaid) be binding on the Bank, the Fiscal Agent and the Noteholders.

(vi) *Survival of Original Reference Rate*

Without prejudice to the obligations of the Bank under Conditions 2(h)(i), 2(h)(ii), 2(h)(iii) and 2(h)(iv), the Original Reference Rate and the fallback provisions provided for in Condition 2(b) will continue to apply unless and until the Bank determines that a Benchmark Event has occurred.

3. **Interest Cancellation**

(a) *Optional cancellation of interest*

Interest on the Notes is due and payable only at the sole discretion of the Bank subject to paragraph (b) (*Mandatory cancellation of interest*) below, and the Bank shall have sole and absolute discretion at all times and for any reason to cancel (in whole or in part) any interest payment that would otherwise be payable on any Interest Payment Date. If the Bank does not make an interest payment on the relevant Interest Payment Date (or if the Bank elects to make a payment of a portion, but not all, of such interest payment), such non payment shall evidence the Bank's exercise of its discretion to cancel such interest payment (or the portion of such interest payment not paid), and accordingly such interest payment (or the portion thereof not paid) shall not be due and payable and shall not accumulate.

(b) *Mandatory cancellation of interest*

Without prejudice to Condition 3(a) and to the prohibition to make payments under the Notes pursuant to the national legislation implementing Article 141(2) of the CRD IV Directive before the Maximum Distributable Amount is calculated, the Bank shall calculate the Maximum Distributable Amount in accordance with the national legislation implementing Article 141 of the CRD IV Directive and the Bank shall cancel (in whole or in part, as applicable) any interest payment otherwise due on an Interest Payment Date if and to the extent that:

(i) the payment of such interest, when aggregated with any interest payments or distributions which have been paid or made or which are required to be paid or made on the Notes or any other own funds items in the then current financial year (excluding any such interest payments or distributions which are not required to be made out of Distributable Items) and any other amounts which the Regulator may require to be taken into account, would cause the amount of Distributable Items (if any) then available to the Bank to be exceeded;

(ii) the payment of such interest would cause, when aggregated together with other distributions of the kind referred to in article 59-13(2) and (3) of the Financial Sector Law (transposing Article 141(2) of the CRD IV Directive) or any other relevant provisions of the Financial Sector Law and the Loss Absorption Regulations, the Maximum Distributable Amount (if any) then applicable to the Bank on a solo basis or the Group on a consolidated basis to be exceeded; or

(iii) the Regulator orders the Bank to cancel the payment of interest.

Interest payments shall also be cancelled in accordance with Condition 8 (*Principal Write-down and Principal Write-up*).

The Bank shall be responsible for determining compliance with this paragraph and no Agent shall be required to monitor such compliance or to perform any calculations in connection therewith.

(c) *Interest non-cumulative; no event of default*

Any interest payment (or part thereof) not paid on any relevant Interest Payment Date by reason of paragraph (a) (*Optional cancellation of interest*), paragraph (b) (*Mandatory cancellation of interest*) or Condition 8 (*Principal Write-down and Principal Write-up*) shall be cancelled and shall not accumulate or be payable at any time thereafter. Non-payment of any interest payment (or part thereof) in accordance with any of paragraph (a) (*Optional cancellation of interest*), paragraph (b) (*Mandatory cancellation of interest*) or Condition 8 (*Principal Write-down and Principal Write-up*) will not constitute an event of default by the Bank for any purpose or a breach of the Bank's other obligations or duties or a failure to perform by the Bank in any manner whatsoever, will not entitle Noteholders and Couponholders to petition for the insolvency, dissolution or winding up of the Bank and Noteholders and Couponholders shall have no right to the interest payment (or part thereof) not paid, whether in bankruptcy (*faillite*) or dissolution or as a result of the insolvency of the Bank or otherwise, or to receive any additional interest or compensation as a result of such cancellation or deemed cancellation.

The Bank may use such cancelled payments without restriction to meet its obligations as they fall due.

(d) *Notice of interest cancellation*

The Bank shall provide notice of any cancellation or deemed cancellation of interest (in whole or in part) to the Noteholders and Couponholders in accordance with Condition 15 (*Notices*) and to the Paying Agents as soon as possible. If practicable, the Bank shall endeavour to provide such notice at least five (5) business days prior to the relevant Interest Payment Date. Any delay in giving or failure to provide such notice will not have any impact on the effectiveness of, or otherwise invalidate, any such cancellation or deemed cancellation of interest, or give Noteholders or Couponholders any rights as a result of such failure. In the absence of any notice of cancellation being given, non-payment of the relevant distributions payment on the relevant Interest Payment Date shall evidence the Bank's exercise of its discretion to cancel such interest payment.

If the Bank provides notice to cancel a portion, but not all, of an interest payment and the Bank subsequently does not make a payment of the remaining portion of such interest payment on the relevant Interest Payment Date, such non-payment shall evidence the Bank's exercise of its discretion to cancel such remaining portion of the interest payment, and accordingly such remaining portion of the interest payment shall also not be due and payable.

In addition to the cancellation of interest set out above, the Bank shall also cancel the payment of any accrued interest if a Trigger Event has occurred as described in Condition 8 (Principal Write-down and Principal Write-up) below.

In circumstances where Article 141 of the CRD IV Directive (or, as the case may be, article 59-13 of the Financial Sector Law transposing or implementing such Article) applies, no payments will be made on the Notes (whether by way of principal, interest or otherwise) if and to the extent that such payment would cause the Maximum Distributable Amount (if any), determined in accordance with Article 141 of the CRD IV Directive (or, as the case may be, article 59-13 of the Financial Sector Law transposing or implementing such Article) then applicable to the Bank on a solo basis or the Group on a consolidated basis to be exceeded.

4. **Redemption and Purchase**

(a) *No fixed redemption date*

The Notes are perpetual notes in respect of which there is no fixed redemption date and the Bank shall (subject to the provisions of Condition 1(b) (*Form, Denomination and Status –*

Status) and without prejudice to the provisions of Condition 9 (*Prescription*)) only have the right to redeem or purchase the Notes in accordance with the following provisions of this Condition 4 (*Redemption and Purchase*).

(b) *Bank's call option*

Subject to paragraph (g) (*Conditions to redemption and purchase*), the Bank may, at its option (and without the requirement for consent or approval of the Noteholders or Couponholders), redeem the Notes, in whole but not in part, on any day in the period commencing on (and including) 7 September 2030 and ending on (and including) 7 March 2031 (the "**First Reset Date**") and on any Interest Payment Date after the First Reset Date (together with the First Reset Date, each an "**Optional Call Date**") in each case at their Prevailing Principal Amount, together with any accrued but unpaid interest (if any) which the Bank decides in its absolute discretion that it will pay (which excludes any interest cancelled or deemed cancelled in accordance with Condition 3 (*Interest Cancellation*)) from (and including) the Interest Payment Date immediately preceding the date fixed for redemption (or, if none, the Issue Date) to (but excluding) the date fixed for redemption.

(c) *Redemption for Regulatory Event*

Subject to paragraph (g) (*Conditions to redemption and purchase*), upon the occurrence of a Regulatory Event, the Bank may, at its option, redeem the Notes, in whole but not in part, at their Prevailing Principal Amount, together with any accrued but unpaid interest (if any) which the Bank decides in its absolute discretion that it will pay (which excludes any interest cancelled or deemed cancelled in accordance with Condition 3 (*Interest Cancellation*)) from (and including) the Interest Payment Date immediately preceding the date fixed for redemption (or, if none, the Issue Date) to (but excluding) the date fixed for redemption *provided that*, the Bank has demonstrated to the satisfaction of the Regulator that the change in the regulatory classification of the Notes was not reasonably foreseeable as at the Issue Date.

(d) *Redemption for Tax Event*

Subject to paragraph (g) (*Conditions to redemption and purchase*), the Bank may, at its option, redeem the Notes, in whole but not in part, at their Prevailing Principal Amount, together with any accrued but unpaid interest (if any) which the Bank decides in its absolute discretion that it will pay (which excludes any interest cancelled or deemed cancelled in accordance with Condition 3 (*Interest Cancellation*)) from (and including) the Interest Payment Date immediately preceding the date fixed for redemption (or, if none, the Issue Date) to (but excluding) the date fixed for redemption, if as a result of a change in, or amendment to, the laws or regulations of a Taxing Jurisdiction, including any treaty to which the relevant Taxing Jurisdiction is a party, or any published change in the application or official interpretation or administration of such laws or regulations on or after the Issue Date, including a decision of any court or tribunal which becomes effective on or after the Issue Date:

(i) the Bank will or would be required to pay Additional Amounts; or

(ii) the Bank would no longer be entitled to claim a deduction in computing its taxable profits and losses in respect of interest payable on the Notes where prior to such change or amendment the Bank was entitled to claim such a deduction, or such deduction is or would be reduced or deferred,

(each such circumstance in paragraphs (i) to (ii) above, a "**Tax Event**");

provided that in the case of each Tax Event, the Bank has demonstrated to the satisfaction of the Regulator that such change was material and was not reasonably foreseeable as at the Issue

Date and the consequences of the Tax Event cannot be avoided by the Bank taking reasonable measures available to it.

(e) *Redemption for Loss Absorption Disqualification Event*

Subject to paragraph (g) (*Conditions to redemption and purchase*), upon the occurrence of a Loss Absorption Disqualification Event, the Bank may, at its option, redeem the Notes, in whole but not in part, at their Prevailing Principal Amount, together with any accrued but unpaid interest (if any) which the Bank decides in its absolute discretion that it will pay (which excludes any interest cancelled or deemed cancelled in accordance with Condition 3 (*Interest Cancellation*)) from (and including) the Interest Payment Date immediately preceding the date fixed for redemption (or, if none, the Issue Date) to (but excluding) the date fixed for redemption *provided that*, the Bank has demonstrated to the satisfaction of the Regulator that the change in the regulatory classification of the Notes was not reasonably foreseeable as at the Issue Date.

Notwithstanding the above, if the redemption pursuant to this Condition 4(e) occurs prior to the fifth anniversary of the Issue Date, such redemption is subject to the Bank having, before or at the same time as such redemption, replaced the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Bank, and the Regulator having permitted such action on the basis of the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances (as provided for by Article 78(4)(d) CRR).

(f) *Bank's Clean-up Call Option*

If 75 per cent. or more of the aggregate principal amount of the Notes originally issued (and, for these purposes, any Write-down and/or Write-up of the principal amount of the Notes shall be ignored) has been purchased by the Bank or by others for the Bank's account and cancelled, then the Bank may, subject to paragraph (g) (*Conditions to redemption and purchase*), redeem the Notes, in whole but not in part, at their Prevailing Principal Amount, together with any accrued but unpaid interest (if any) which the Bank decides in its absolute discretion that it will pay (which excludes any interest cancelled or deemed cancelled in accordance with Condition 3 (*Interest Cancellation*)) from (and including) the Interest Payment Date immediately preceding the date fixed for redemption (or, if none, the Issue Date) to (but excluding) the date fixed for redemption.

Notwithstanding the above, if the redemption pursuant to this Condition 4(f) occurs prior to the fifth anniversary of the Issue Date, such redemption is subject to the Bank having, before or at the same time as such redemption, replaced the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Bank, and the Regulator having permitted such action on the basis of the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances (as provided for by Article 78(4)(d) CRR).

(g) *Conditions to redemption and purchase*

(i) *Regulator consent and Regulatory Procedures*: Notwithstanding any other provision, the Bank may redeem or purchase the Notes (and give notice thereof to the Noteholders) only if it has obtained the prior approval of the Regulator and has complied with the Regulatory Procedures for the redemption or purchase of the Notes, in accordance with all applicable laws and regulations, including the Applicable Banking Regulations and in particular Articles 77 and 78 CRR in effect as at the Issue Date.

(ii) *Bank's certification on Regulatory Event*: in the case of a redemption in accordance with paragraph (c) (*Redemption for Regulatory Event*), prior to giving notice of redemption in accordance with paragraph (iv) (*Notice of redemption*), the Bank shall deliver to the Fiscal Agent a certificate signed by the Bank stating that a Regulatory Event has occurred and the Bank is entitled to effect such redemption. The Fiscal Agent shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the circumstances set out above and without further enquiry or liability for so doing, in which event it shall be conclusive and binding on the Noteholders.

(iii) *Bank's certificate on Tax Event*: in the case of a redemption in accordance with paragraph (d) (*Redemption for Tax Event*), prior to giving notice of redemption in accordance with paragraph (iv) (*Notice of redemption*), the Bank shall deliver to the Fiscal Agent (i) a certificate signed by the Bank stating that a Tax Event has occurred and that the Bank is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Bank so to redeem have occurred and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Bank has or will become subject to a Tax Event. The Fiscal Agent shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the circumstances set out above and without further enquiry or liability for so doing, in which event it shall be conclusive and binding on the Noteholders.

(iv) *Notice of redemption*: Any redemption of the Notes shall be subject to the Bank providing not less than ten (10) days' nor more than sixty (60) days' prior notice to the Noteholders in accordance with Condition 15 (*Notices*) and to the Fiscal Agent (such notice being irrevocable except in the limited circumstances set out in paragraph (vi) (*Trigger Event*) below) specifying the Bank's election to redeem the Notes and the date fixed for such redemption, provided that in the case of a redemption in accordance with paragraph (d) (*Redemption for Tax Event*), no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which a Tax Event would occur.

(v) *No redemption pursuant to Condition 4(b) whilst the Notes are written down*: The Bank shall not be entitled to redeem the Notes pursuant to Condition 4(b) (*Redemption and Purchase - Bank's call option*) (but this restriction shall not, for the avoidance of doubt, apply to a redemption pursuant to Condition 4(c) (*Redemption and Purchase - Redemption for Regulatory Event*), Condition 4(d) (*Redemption and Purchase - Redemption for Tax Event*), Condition 4(e) (*Redemption for Loss Absorption Disqualification Event*) or Condition 4(f) (*Bank's Clean-up Call Option*)) if, on the relevant redemption date, the Prevailing Principal Amount of the Notes is lower than their Original Principal Amount (and any notice of redemption which has been given in such circumstances shall be automatically rescinded and shall be of no force and effect).

(vi) *Trigger Event*: If the Bank has elected to redeem the Notes but prior to the payment of the redemption amount with respect to such redemption a Trigger Event occurs, the relevant redemption notice shall be automatically rescinded and shall be of no force and effect, no payment of the redemption amount will be due and payable and instead, a Principal Write-down shall occur in respect of the Notes as described under Condition 8(a) (*Principal Write-down and Principal Write-up – Principal Write-down*). The Bank shall deliver a Trigger Event Write-down Notice in accordance with Condition 8(a) (*Principal Write-down*), which shall also describe that the relevant redemption notice has accordingly been rescinded under this paragraph (vi).

Without prejudice to Condition 4(g)(v) above, following the occurrence of a Trigger Event, the Bank shall not be entitled to give a notice of redemption of the Notes pursuant to Condition 4(b) (*Redemption*

and Purchase - Bank's call option), Condition 4(c) (*Redemption and Purchase - Redemption for Regulatory Event*), Condition 4(d) (*Redemption and Purchase - Redemption for Tax Event*), Condition 4(e) (*Redemption for Loss Absorption Disqualification Event*) or Condition 4(f) (*Bank's Clean-up Call Option*) before the Trigger Event Write-Down Date.

(h) *Purchase*

Subject to paragraph (g) (*Conditions to redemption and purchase*), the Bank or any member of the Group may (subject to article 52(1)(i) of the CRR) purchase or otherwise acquire any of the outstanding Notes (*provided that* all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise in accordance with article 52(1)(i) of the CRR *provided that* any such purchase may not take place within 5 years after the Issue Date unless permitted by Applicable Banking Regulations.

Subject to paragraph (g) (*Conditions to redemption and purchase*), if there is a market for the Notes, the Bank or any agent on its behalf shall have the right at all times to purchase the Notes (i) for market making purposes as provided for in Article 78(4)(e) CRR *provided that* the total principal amount of the Notes so purchased does not exceed the predetermined amount permitted to be purchased for market-making purposes under Applicable Banking Regulations (such predetermined amount not to exceed the limits set forth in Article 78(1) second sub-paragraph CRR, and to the extent applicable at the relevant time) or (ii) in accordance with and in the circumstances permitted by the Applicable Banking Regulations (in particular, Article 78(4)(d) CRR), provided that no such purchase, repurchase or acquisition will be effected unless the prior approval of the Regulator is obtained and such purchase, repurchase or acquisition complies with the Regulatory Procedures and the Applicable Banking Regulations, including the provisions laid down in Article 29 of the RTS on own funds.

For the avoidance of doubt, any purchase of the Notes prior to the fifth anniversary of the Issue Date pursuant to (ii) above, is subject to the Bank having, before or at the same time as such purchase, replaced the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Bank, and the Regulator having permitted such action on the basis of the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances (as provided for by Article 78(4)(d) CRR).

(j) *Cancellation*

All Notes redeemed by the Bank pursuant to this Condition 4 (*Redemption and Purchase*) shall be cancelled and may not be reissued or resold. All Notes purchased by or on behalf of the Bank or any member of the Group may be held, reissued, resold and/or, at the option of the Bank or any such member of the Group, surrendered for cancellation. Any Notes so surrendered for cancellation may not be reissued or resold.

The Notes may only be redeemed or purchased subject to the Maximum Distributable Amount (if any), then applicable to the Bank on a solo basis or the Group on a consolidated basis, not being exceeded by such redemption or purchase.

5. **Payments**

(a) *Principal*

Payments of principal shall be made only against presentation and (*provided that* payment is made in full) surrender of Notes at the Specified Office of any Paying Agent outside the United States by Euro cheque drawn on, or by transfer to a Euro account (or other account to which Euro may be credited or transferred) maintained by the payee with, a bank in a city in which banks have access to the T2.

(b) *Interest*

Payments of interest shall, subject to paragraph (f) (*Payments other than in respect of matured Coupons*) below, be made only against presentation and (*provided that* payment is made in full) surrender of the appropriate Coupon at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) (*Principal*) above.

(c) *Payments subject to fiscal laws*

All payments in respect of the Notes are subject in all cases to any (i) applicable fiscal or other laws and regulations in the place of payment, or other laws and regulations to which the Bank or its Agents agree to be subject, but without prejudice to the provisions of Condition 6 (*Taxation*), and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, amended (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 6 (*Taxation*)) any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(d) *Deduction for unmatured Coupons*

If a Note is presented without all unmatured Coupons relating to the current Coupon Sheet (as defined below) thereon, then such missing Coupons shall become void and no payments will be made in respect of void Coupons.

(e) *Payments on Payment Business Days*

Subject to Condition 3 (*Interest Cancellation*), Condition 4 (*Redemption and Purchase*) and Condition 8 (*Principal Write-down and Principal Write-up*), if the due date for payment of any amount in respect of any Note or Coupon is not a Payment Business Day in the place of presentation, the Noteholder or the Couponholder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

(f) *Payments other than in respect of matured Coupons*

Payments of interest other than in respect of matured Coupons, if and to the extent payable, shall be made only against presentation of the relevant Notes at the Specified Office of any Paying Agent outside the United States.

(g) *Partial payments*

If a Paying Agent makes a partial payment in respect of any Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and the date of such payment.

(h) *Exchange of Talons*

On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a coupon sheet relating to the Notes (each, a "**Coupon Sheet**"), the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Fiscal Agent for a further Coupon Sheet including a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 10 (*Prescription*) and excluding also those Coupons that have been cancelled or deemed cancelled. Upon the due date for redemption of

any Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

6. Taxation

All payments of principal and/or interest in respect of the Notes and the Coupons by or on behalf of the Bank shall be made free and clear of, and without deduction or withholding for, or on account of, any and all present or future income, stamp and other taxes, levies, imposts, duties, charges, fees, deductions or withholdings ("**taxes**") now or hereafter imposed, levied, collected, withheld or assessed by, or on behalf of, Luxembourg or any political subdivision or authority thereof or therein that has the power to tax (each, a "**Taxing Jurisdiction**"), unless the deduction or withholding is required by law. In that event the Bank shall pay such additional amounts (the "**Additional Amounts**") in respect of payments of interest (but not, for the avoidance of doubt, in respect of payments of principal) as will result in receipt by the Noteholders and the Couponholders of such amounts after such withholding or deduction as would have been received by them had no such withholding or deduction been required. However, no such Additional Amounts shall be payable in respect of any Note or Coupon:

(i) *Other Connection*: to, or to a third party on behalf of, a holder who is liable to such taxes in respect of such Note or Coupon by reason of his having some connection with a Taxing Jurisdiction other than the mere holding of the Note or Coupon;

(ii) *Lawful avoidance of withholding*: presented for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth such day; or

(iii) *Payment by another Paying Agent*: presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, or Coupon to another Paying Agent in a Member State of the European Union; or

(iv) *Available Distributable Items and compliance with the Maximum Distributable Amount*: if and to the extent that (i) the Bank does not have sufficient Distributable Items to make such payment subject to Condition 3(b) (*Mandatory cancellation of interest*), and/or (ii) such payment would cause the Maximum Distributable Amount (if any) then applicable to the Bank on a solo basis or the Group on a consolidated basis to be exceeded, if required to be calculated at such time.

In these Conditions, "**Relevant Date**" in respect of any Note or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused the date on which payment in full of the amount outstanding is made or (if earlier)) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation, and any reference to principal or interest shall be deemed to include any Additional Amounts in respect of principal or interest (as the case may be) which are, were or would be payable under this Condition 6 (Taxation).

For the avoidance of doubt, Additional Amounts shall only be payable if and to the extent the Bank has sufficient Distributable Items and such payment would not cause the Maximum Distributable Amount (if any) then applicable to the Bank on a solo basis or the Group on a consolidated basis to be exceeded, if required to be calculated at such time.

7. Substitution and Variation

(a) *Substitution and variation*

Subject to Condition 7(b) (*Substitution and Variation - Conditions to substitution and variation*) and Condition 7(c) (*Substitution and Variation - Determination of Trigger Event following notice of substitution or variation*), if a Regulatory Event, a Tax Event, a Loss Absorption Disqualification Event or an Alignment Event (each a "**Special Event**") has occurred and is continuing or in order to align the terms and conditions of the Notes to best practices published from time to time by the European Banking Authority resulting from its monitoring activities pursuant to Article 80 of the CRR, the Bank may at its option, without any requirement for the consent or approval of the Noteholders, upon not less than 10 nor more than 60 days' notice to the Noteholders in accordance with Condition 15 (*Notices*) (which notice shall, subject as provided in Condition 7(c) (*Substitution and Variation - Determination of Trigger Event following notice of substitution or variation*), be irrevocable), substitute all (but not some only) of the Notes or vary the terms of all (but not some only) of the Notes so that they become or remain (as the case may be) Qualifying Securities.

Any such notice shall specify the relevant details of the manner in which such substitution or variation shall take effect and where the Noteholders can inspect or obtain copies of the new terms and conditions of the Notes.

In these Conditions, "**Qualifying Securities**" means, at any time, any securities issued by the Bank that:

(i) contain terms which at such time comply with (x) the then current requirements of the Applicable Banking Regulations in relation to Additional Tier 1 Capital and (y) the Loss Absorption Regulations in relation to the Bank's and/or the Group's minimum requirement for own funds and eligible liabilities (which, for the avoidance of doubt, may result in such securities not including, or restricting for a period of time the application of, one or more of the Special Event redemption events which are included in the Notes);

(ii) carry the same rights to redeem as set out in Condition 4(b) (*Redemption and Purchase - Bank's call option*) and the same rate of interest from time to time applying to the Notes prior to the relevant substitution or variation;

(iii) *rank pari passu* with the Notes prior to the substitution or variation;

(iv) shall not at the time of the relevant variation or substitution be subject to a Special Event;

(v) have terms not materially less favourable to the Noteholders than the terms of the Notes, as reasonably determined by the Bank, and provided that the Bank shall have delivered to the Fiscal Agent a certificate to that effect signed by the Bank;

(vi) if (A) the Notes were listed or admitted to trading on a Regulated Market immediately prior to the relevant substitution or variation, are listed or admitted to trading on a Regulated Market or (B) if the Notes were listed or admitted to trading on a Recognised Stock Exchange other than a Regulated Market immediately prior to the relevant substitution or variation, are listed or admitted to trading on any Recognised Stock Exchange (including, without limitation, a Regulated Market), in either case as selected by the Bank; and

(vii) where the Notes which have been substituted or varied had a published rating from a rating agency immediately prior to their substitution or variation, which rating was solicited by or on behalf of the Group, such rating agency has ascribed, or announced its intention to ascribe, an equal or higher published rating to the Qualifying Securities.

(b) *Conditions to substitution and variation*

Any substitution or variation of the Notes pursuant to this Condition 7 (*Substitution and Variation*) is subject to compliance with any conditions prescribed under Applicable Banking Regulations, including the prior approval of the Regulator.

(c) *Determination of Trigger Event following notice of substitution or variation*

If the Bank has given a notice of substitution or variation of the Notes pursuant to Condition 7(a) (*Substitution and Variation - Substitution and variation*) and, after giving such notice but prior to the date of such substitution or variation (as the case may be), a Trigger Event occurs, the relevant notice of substitution or variation shall be automatically rescinded and shall be of no force and effect, the Notes will not be substituted or varied on the scheduled substitution or variation date and, instead, a Principal Write-down shall occur in respect of the Notes as described under Condition 8 (*Principal Write-down and Principal Write-up*).

Following the occurrence of a Trigger Event, the Bank shall not be entitled to give a notice of substitution or variation of the Notes pursuant to Condition 7(a) (*Substitution and Variation - Substitution and variatio*n) before the Trigger Event Write-Down Date.

8. **Principal Write-down and Principal Write-up**

(a) *Principal Write-down*

(i) *Trigger Event*

Upon the occurrence of a Trigger Event, a Principal Write-down will occur without delay but no later than within one month or such shorter period as may be required by the Regulator (such date being a "**Trigger Event Write-down Date**"), all in accordance with this Condition 8(a) (*Principal Write-down and Principal Write-up – Principal Write-down*).

(ii) *Trigger Event Write-down Notice*

Upon the occurrence of a Trigger Event, the Bank shall:

(A) immediately notify the Regulator (unless the Regulator has declared a Trigger Event pursuant to this Condition 8) that a Trigger Event has occurred and the fact that a Principal Write-down will have to be effected;

(B) determine the Write-down Amount without undue delay and no later than on the relevant Trigger Event Write-down Date and notify the Write-down Amount and the date on which such Write-down Amount was determined to the Regulator;

(C) as soon as reasonably practicable, give notice to Noteholders (a "**Trigger Event Write-down Notice**") in accordance with Condition 15 (*Notices*), which notice shall specify (A) that a Trigger Event has occurred, (B) the Trigger Event Write-down Date and (C) if it has then been determined, the Write-down Amount and the date on which such Write-down Amount was determined; and

(D) no later than the giving of the Trigger Event Write-down Notice, deliver to the Fiscal Agent a certificate signed by the Bank stating a Trigger Event has occurred.

The determination that a Trigger Event has occurred, including the underlying calculations, and any determination of the relevant Write-down Amount shall be irrevocable and binding on the Noteholders.

If the Write-down Amount has not been determined at the time the Bank gives the Trigger Event Write-down Notice, the Bank shall, as soon as reasonably practicable following such determination having been made, give a further notice to Noteholders in accordance with Condition 15 (*Notices*), confirming the Write-down Amount.

Failure to provide any notice referred to in this Condition 8(a) (*Principal Write-down and Principal Write-up - Principal Write-down*) will not have any impact on the effectiveness of, or otherwise invalidate, any such Principal Write-down or give Noteholders any rights as a result of such failure.

(iii) *Cancellation of interest and Principal Write-down*

On a Trigger Event Write-down Date, the Bank shall:

(A) irrevocably cancel all interest accrued on each Note up to (and including) the Trigger Event Write-down Date (whether or not the same has become due at such time); and

(B) irrevocably, but without prejudice to any Principal Write-up pursuant to Condition 8(b) (*Principal Write-down and Principal Write-up - Principal Write-up*), reduce the then Prevailing Principal Amount of each Note by the relevant Write-down Amount (such reduction being referred to as a "**Principal Write-down**", and "**Written Down**" being construed accordingly) with effect from the Trigger Event Write-down Date, such Principal Write-down to be effected, save as may be otherwise required by Applicable Banking Regulations and/or the Regulator and subject to Condition 8(a)(v), *pro rata* and concurrently with the Principal Write-down of the other Notes and the write-down or conversion into equity (as the case may be) of the then prevailing principal amount of any other Loss Absorbing Instruments.

For the avoidance of doubt, interest will continue to accrue on the Prevailing Principal Amount following the Principal Write-down, as from the Trigger Event Write-down Date (without prejudice to any Principal Write-up pursuant to Condition 8(b) (*Principal Write-down and Principal Write-up - Principal Write-up*)).

In addition, the Regulator shall be entitled to write down the Notes in accordance with its statutory powers.

(iv) *Write-down Amount*

In these Conditions, "**Write-down Amount**" means, on any Trigger Event Write-down Date, the amount by which the then Prevailing Principal Amount of each outstanding Note is to be Written Down and which is calculated per Note, being the lower of:

(A) the amount per Note (together with, subject to Condition 8(a)(v), the concurrent *pro rata* Principal Write-down of the other Notes and the write-down or conversion into equity of the prevailing principal amount of any other Loss Absorbing Instruments) that would be sufficient to immediately restore the Consolidated CET1 Ratio or the Solo CET1 Ratio, as the case may be, to at least 7.00 per cent.; or

(B) if the amount determined in accordance with (A) above would be insufficient to restore the Consolidated CET1 Ratio or the Solo CET1 Ratio to 7.00 per cent., the amount necessary to reduce the Prevailing Principal Amount of the Note to one cent.

(v) *Other Loss Absorbing Instruments*

To the extent the write-down or conversion into equity of any Loss Absorbing Instruments is not effective for any reason (i) the ineffectiveness of any such write-down or conversion into equity shall not prejudice the requirement to effect a Principal Write-down of the Notes pursuant to Condition 8(a) (*Principal Write-down and Principal Write-up - Principal Write-down*) and (ii) the write-down or conversion into equity of any Loss Absorbing Instrument which is not, or by the Trigger Event Write-down Date will not be, effective shall not be taken into account in determining the Write-down Amount of the Notes.

Any Loss Absorbing Instruments that may be written down or converted to equity in full (save for any one cent floor) but not in part only shall be treated for the purposes only of determining the relevant *pro rata* amounts in Condition 8(a)(iii)(B) and Condition 8(a)(iv) as if their terms permitted partial write-down or conversion into equity.

In the event of a concurrent write-down of any other Loss Absorbing Instrument (if any), the *pro rata* write-down and/or conversion of such Loss Absorbing Instrument shall only be taken into account to the extent required to restore the Consolidated CET1 Ratio or the Solo CET1 Ratio, as the case may be, contemplated above to the lower of (x) such Loss Absorbing Instrument's trigger level and (y) 7.00 per cent., in each case in accordance with the terms of such Loss Absorbing Instrument and the Applicable Banking Regulations, including, in particular, Article 21(1) of the RTS on own funds and paragraphs 207 and 208 of the AT1 Report.

(vi) *No default*

Any Principal Write-down of the Notes shall not:

(A) constitute an event of default of the Bank or a breach of the Bank's other obligations or duties or a failure to perform by the Bank in any manner whatsoever; or

(B) constitute the occurrence of any event related to the insolvency of the Bank or entitle the Noteholders to any compensation or to take any action to cause the liquidation, dissolution or winding-up of the Bank.

The Noteholders shall have no further rights or claims against the Bank (whether in the case of the liquidation, dissolution or winding-up of the Bank by reason of bankruptcy or otherwise) with respect to any interest cancelled and any principal Written Down in accordance with this Condition (including, but not limited to, any right to receive accrued but unpaid and future interest or any right of repayment of principal, but without prejudice to their rights in respect of any reinstated principal following a Principal Write-up pursuant to Condition 8(b) (*Principal Write-down and Principal Write-up - Principal Write-up*)).

(vii) *Principal Write-down may occur on one or more occasions*

A Principal Write-down may occur on one or more occasions and accordingly the Notes may be Written Down on one or more occasions (provided, however, that the principal amount of a Note shall never be reduced to below one cent).

(b) *Principal Write-up*

(i) *Principal Write-up*

Subject to compliance with the Applicable Banking Regulations, if both a positive Solo Net Profit and a positive Consolidated Net Profit is recorded at any time while the Prevailing Principal Amount is less than the Original Principal Amount, the Bank may, at its full discretion but subject to Conditions 8(b)(ii), 8(b)(iii) and 8(b)(iv), increase the Prevailing Principal Amount of each Note (a "**Principal Write-up**") up to a maximum of its Original Principal Amount on a *pro rata* basis with the other Notes and with any Discretionary Temporary Write-down Instruments capable of being written-up in accordance with their terms at the time of the Principal Write-up (based on the then prevailing principal amounts thereof), provided that the Maximum Write-up Amount is not exceeded as determined in accordance with Condition 8(b)(iii) below.

Any Principal Write-up will be subject to the same terms and conditions as set out in these Conditions.

For the avoidance of doubt, the principal amount of a Note shall never be increased to above its Original Principal Amount.

(ii) *Maximum Distributable Amount*

A Principal Write-up of the Notes shall not be effected in circumstances which (when aggregated together with other distributions of the kind referred to in article 59-13(2) and (3) of the Financial Sector Law (transposing Article 141(2) of the CRD IV Directive) or any other relevant provisions of the Financial Sector Law (including other Principal Write-up amounts in the same 12 month period)) would cause the Maximum Distributable Amount, if any, applicable to the Bank on a solo basis or the Group on a consolidated basis to be exceeded, if required to be calculated at such time.

(iii) *Maximum Write-up Amount*

A Principal Write-up of the Notes will not be effected at any time to the extent that the sum of:

(A) the aggregate amount of the relevant Principal Write-up on all the Notes;

(B) the aggregate amount of any interest on the Notes that was paid or calculated (but disregarding any such calculated interest which has been cancelled) on the basis of a Prevailing Principal Amount that is lower than the Original Principal Amount at any time after the end of the previous financial year;

(C) the aggregate amount of the increase in principal amount of each Discretionary Temporary Write-down Instrument to be written-up at the time of the relevant Principal Write-up and the increase in principal amount of the Notes and any Discretionary Temporary Write-down Instruments resulting from any previous write-up since the end of the previous financial year; and

(D) the aggregate amount of any interest payments on each Loss Absorbing Instrument that were paid or calculated (but disregarding any such calculated interest which has been cancelled) on the basis of a prevailing principal amount that is lower than the original principal amount at which such Loss Absorbing Instrument was issued at any time after the end of the previous financial year,

would exceed the Maximum Write-up Amount.

In these Conditions, the "**Maximum Write-up Amount**" means the lower of:

i. the Solo Net Profit (a) multiplied by the aggregate issued original principal amount of all Written-Down Additional Tier 1 Instruments which qualify as Additional Tier 1 Capital of the Bank on a solo basis, and (b) divided by the Tier 1 Capital of the Bank calculated on a solo basis as at the date when the Principal Write-up is operated; and

ii. the Consolidated Net Profit (a) multiplied by the aggregate issued original principal amount of all Written-Down Additional Tier 1 Instruments which qualify as Additional Tier 1 Capital of the Group on a consolidated basis, and (b) divided by the Tier 1 Capital of the Group calculated on a consolidated basis as at the date when the Principal Write-up is operated.

(iv) *Principal Write-up and Trigger Event*

A Principal Write-up will not be effected whilst a Trigger Event has occurred and has not been cured. Further, a Principal Write-up will not be effected in circumstances where such Principal Write-up (together with the simultaneous write-up of all other Discretionary Temporary Write-down Instruments) would cause a Trigger Event to occur.

(v) *Principal Write-up pro rata with other Discretionary Temporary Write-down Instruments*

The Bank undertakes that it will not write-up the principal amount of any Discretionary Temporary Write-down Instruments capable of being written-up in accordance with their terms at the time of the relevant write-up unless it does so on a *pro rata* basis with a Principal Write-up on the Notes.

(vi) *Principal Write-up may occur on one or more occasions*

Principal Write-up may be made on one or more occasions until the Prevailing Principal Amount of the Notes has been reinstated to the Original Principal Amount.

Any decision by the Bank to effect or not to effect any Principal Write-up on any occasion shall not preclude it from effecting (in the circumstances permitted by this Condition 8(b) (*Principal Write-up*)) or not effecting any Principal Write-up on any other occasion.

(vii) *Notice of Principal Write-up*

The Bank shall, as soon as reasonably practicable following its formal decision to effect a Principal Write-up in respect of the Notes and in any event not later than five Payment Business Days prior to the date on which the Principal Write-up shall take effect, give notice of such Principal Write-up to the Noteholders in accordance with

Condition 15 (*Notices*). Such notice can be cancelled at any moment prior to the date on which the Principal Write-up shall take effect, in accordance with Article 21(2)(c) of the RTS on own funds. Such notice shall confirm the amount of such Principal Write-up and the date on which such Principal Write-up is to take effect.

(c) *Foreign Currency Instruments*

If, in connection with any Principal Write-down or Principal Write-up of the Notes, any instruments are not denominated in the Accounting Currency at the relevant time ("**Foreign Currency Instruments**", which may include the Notes, any Discretionary Temporary Write-down Instruments and/or any relevant Loss Absorbing Instruments) the determination of the relevant Write-down Amount or Write-up Amount (as the case may be) in respect of the Notes, the relevant write-up amount of Discretionary Temporary Write-down Instruments and the relevant write-down (or conversion into equity) amount or write-up amount (as the case may be) of Loss Absorbing Instruments shall be determined by the Bank based on the relevant foreign currency exchange rate used by the Bank in the preparation of its regulatory capital returns under the Applicable Banking Regulations.

9. **Point of Non-Viability**

Notwithstanding and to the exclusion of any other term of the Notes or any other agreements, arrangements, or understanding between the Bank and any holder, by its acquisition of the Notes, each holder (which, for the purposes of this clause, includes each holder of a beneficial interest in the Notes) acknowledges and accepts that any amount due arising under the Notes may be subject to the exercise of any Write-down or Conversion by the Regulator in the event the Bank is deemed to be at the point of non-viability (meaning either that the conditions for a resolution are met or that the Regulator or the relevant resolution authority deems that the Bank is not viable without writing-down or converting the Notes), and acknowledges, accepts, consents to and agrees to be bound by:

(a) the effect of the exercise of any Write-down or Conversion by the Regulator, which exercise may include and result in any of the following, or some combination thereof:

(i) the reduction or cancellation of all, or a portion, of the amounts due;

(ii) the conversion of all, or a portion, of the amounts due on the Notes into shares, other securities or other obligations of the Bank or another person (and the issue to or conferral on the holder of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of the Notes;

(iii) the cancellation of the Notes; and

(iv) the amendment or alteration of the provisions of the Notes by which the Notes have no maturity or the amendment of the amount of interest payable on the Notes, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and

(b) the variation of the terms of the Notes, as deemed necessary by the Regulator, to give effect to the exercise of any Write-down or Conversion by the Regulator.

10. **Prescription**

Claims arising, to the extent permitted under these Conditions, for principal and interest on redemption shall become void unless the relevant Notes or Coupons are surrendered for payment within ten years (in the case of principal) or within five years (in the case of interest) of the appropriate Relevant Date.

11. Replacement of Notes, Coupons and Talons

If any Note, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Bank may reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

12. Paying Agents

In acting in connection with the Notes and Coupons, the Agents act solely as agents of the Bank and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Agents and their initial Specified Offices are listed below. The Bank reserves the right at any time to vary or terminate the appointment of any Agent and to appoint a successor fiscal agent and additional or successor paying agents and calculation agents; provided, however, that the Bank shall at all times maintain (a) a fiscal agent and (b) a calculation agent.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Noteholders in accordance with Condition 15 (*Notices*).

13. Meetings of Noteholders; Modification

(a) *Meetings of Noteholders*

The provisions of Articles 470-3 to 470-19 of the Luxembourg Company Law relating to the convening and conduct of meetings of Noteholders shall not apply to the Notes.

The Agency Agreement contains provisions for convening meetings of Noteholders (including by audio or video conference call) to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any meeting may be convened by the Issuer and shall be convened by it upon the request in writing of Noteholders holding not less than 5 per cent. of the aggregate Prevailing Principal Amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be one or more persons holding or representing in the aggregate a clear majority in aggregate Prevailing Principal Amount of the Notes for the time being outstanding or, at any adjourned meeting, one or more persons being or representing Noteholders whatever the aggregate Prevailing Principal Amount of the Notes held or represented; provided, however, that certain proposals (including any proposal to modify any date of optional redemption of the Notes or any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of interest or principal payable on any date in respect of the Notes, to modify the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to modify the currency in which payments under the Notes are to be made, or to modify the quorum and/or majority required to pass an Extraordinary Resolution) may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which one or more persons holding or representing in the aggregate not less than 75 per cent. of the aggregate Prevailing Principal Amount of the Notes for the time being outstanding form a quorum.

(b) *Modification*

Any modification to these Conditions, regardless of its nature, shall be made subject to Condition 13(c) (*Regulator notice or permission*).

The Notes and these Conditions may be amended without the consent of the Noteholders or the Couponholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Bank shall not agree without the consent of the Noteholders to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of such parties, not materially prejudicial to the interests of the Noteholders.

In addition, a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in Prevailing Principal Amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

Any Extraordinary Resolution duly passed at any meeting of Noteholders or in writing shall be binding on all the Noteholders, whether or not they are present at the meeting or voting in favour or, as the case may be, whether or not signing the resolution in writing.

(c) *Regulator notice or consent*

These Conditions shall only be capable of modification, if the Bank has notified the Regulator of such modification or obtained the prior consent of the Regulator, as the case may be, (if such notice or consent is then required by the Applicable Banking Regulations).

14. Further Issues

The Bank may from time to time, without the consent of the Noteholders or Couponholders, create and issue further Notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest).

15. Notices

Notices to the Noteholders shall be valid if published in a daily newspaper of general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe or, for as long as any Notes are listed on the Luxembourg Stock Exchange, on the Luxembourg Stock Exchange's website, https://luxse.com, or by other methods considered as equivalent by the Luxembourg Stock Exchange. Any such notice shall be deemed to have been given on the date of first publication. The Bank shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are for the time being listed. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

Couponholders shall be deemed for all purposes to have notices of the contents of any notice given to the Noteholders.

16. Governing Law and Jurisdiction

(a) *Governing Law*

The Notes, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by Luxembourg law.

(b) *Jurisdiction*

The courts of Luxembourg-City shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Notes, Coupons or Talons ("**Proceedings**") shall be brought in such courts. The Bank and each of the holders of the Notes, Coupons and Talons irrevocably submits to the jurisdiction of the courts of Luxembourg-City and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the Bank and the Noteholders and Couponholders.

17. Interpretation

(a) *Definitions*

In these Conditions, the following expressions have the following meanings:

"**5-year Mid-Swap Rate**" means, in relation to a Reset Period and the Mid-Swap Rate Determination Date in respect of such Reset Period:

(i) the mid-swap rate for euro swaps with a term of 5 years which appears on the Screen Page as of 11:00 a.m. (Central European time) on such Mid-Swap Rate Determination Date; or

(ii) subject to the application of Condition 2(h) (*Interest - Benchmark replacement*), if such rate does not appear on the Screen Page at such time on such Mid-Swap Rate Determination Date, the Reset Reference Bank Rate on such Mid-Swap Rate Determination Date.

"**5-year Mid-Swap Rate Quotations**" means the arithmetic mean of the bid and ask rates for the annual fixed leg (calculated on a 30/360 day count basis) of a fixed-for-floating euro interest rate swap transaction which:

(i) has a term of 5 years commencing on the relevant Reset Date;

(ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market; and

(iii) has a floating leg (calculated on an Actual/360 day count basis) based on six-month EURIBOR.

"**Accounting Currency**" means euro or such other primary currency used in the presentation of the Bank's accounts from time to time.

"**Accrual Period**" means the period from and including the date from which interest begins to accrue to but excluding the date on which it falls due..

"**Additional Amount**" has the meaning given to such term in Condition 6 (*Taxation*).

"**Additional Tier 1 Capital**" has the meaning given in the Applicable Banking Regulations from time to time.

"**Additional Tier 1 Capital Instruments**" means all obligations which constitute, or which upon issue constituted, Additional Tier 1 Capital of the Bank.

"**Adjustment Spread**" means either (a) a spread (which may be positive, negative or zero) or (b) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

(i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate)

(ii) the Bank, following consultation with the Independent Adviser, determines is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or (if the Bank determines that no such spread is customarily applied)

(iii) the Bank, following consultation with the Independent Adviser, determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be).

"**Alignment Event**" means, at any time after the Issue Date, a change in, or amendment to, the Applicable Banking Regulations, or any change in the application or interpretation thereof, that results in the requirements for an instrument to qualify as Additional Tier 1 Capital and/or to comply with the minimum requirement for own funds and eligible liabilities applicable to the Bank and/or the Group being different in any respect from the Conditions.

"**Alternative Rate**" means an alternative benchmark or screen rate which the Bank, following consultation with the Independent Adviser, determines in accordance with Condition 2(h)(ii) is customarily applied in international debt capital markets transactions for the purposes of determining rates equivalent to the Subsequent Interest Rate (or the relevant component part thereof) in euro.

"**Applicable Banking Regulations**" means CRD IV, the BRR Act 2015, the Financial Sector Law, the CSSF Regulation N°18-03 on the implementation of certain discretions of the CRR, any laws, regulations or acts implementing CRD IV and BRRD and any delegated or implementing acts (such as regulatory technical standards) adopted by the European Commission and applicable to the Bank (in particular the RTS on own funds) and, at any time, the laws, regulations, circular letters and other requirements, standards, guidelines and policies relating to capital adequacy for credit institutions of either (i) the Regulator and/or (ii) any other national or European authority, in each case then in effect in Luxembourg (or in such other jurisdiction which is the home member state of the Bank as defined in CRR, CRD IV Directive, BRRD, the BRR Act 2015 and the Financial Sector Law ("**Home Member State**")) and applicable to the Bank or the Group.

" **AT1 Report**" means EBA's Report on the monitoring of Additional Tier 1 (AT1), Tier 2 AND TLAC/MREL eligible liabilities instruments of European Union (EU) institutions – Update – EBA/REP/2024/11, as amended from time to time.

"**Authorised Denomination**" has the meaning given to such term in Condition 1(a) (Form, Denomination and Status – Form, denomination and title).

"**Benchmark Amendments**" has the meaning given to it in Condition 2(h)(iv).

"**Benchmark Event**" means:

(i) the Original Reference Rate ceasing to be published for a period of at least five business days or ceasing to exist; or

(ii) a public statement by the administrator of the Original Reference Rate that it has ceased or that it will cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

(iii) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or

(iv) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Notes; or

(v) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is or will be (or is or will be deemed by such supervisor to be) no longer representative of its relevant underlying market; or

(vi) it has become unlawful for the Fiscal Agent, the Calculation Agent or the Bank to calculate any payments due to be made to any Noteholder using the Original Reference Rate,

provided that the Benchmark Event shall be deemed to occur (A) the case of sub-paragraphs (ii) and (iii) above, on the date of the cessation of publication of the Original Reference Rate, or the discontinuation of the Original Reference Rate, as the case may be, (B) in the case of sub-paragraph (iv) above, on the date of the prohibition of use of the Original Reference Rate and (C) in the case of sub-paragraph (v) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed by the relevant supervisor to no longer be) representative of its relevant underlying market and which is specified in the relevant public statement, and, in each case, not the date of the relevant public statement.

The occurrence of a Benchmark Event shall be determined by the Bank and promptly notified to the Fiscal Agent and the Calculation Agent. For the avoidance of doubt, none of the Fiscal Agent or the Calculation Agent shall have any responsibility for making such determination.

"**BRRD**" means Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms, as amended or replaced from time to time.

"**BRR Act 2015**" means the Luxembourg act dated 18 December 2015 on the failure of credit institutions and certain investment firms, as amended, which has implemented the BRRD into Luxembourg law.

"**business day**" means any weekday, other than one on which banking institutions are authorised or obligated by law to close in Luxembourg, unless otherwise defined in the Conditions.

"**CET1 Capital**" means, in respect of either the Bank or the Group (as the case may be), as of any date, the sum, expressed in euro, of all amounts that constitute common equity tier 1 capital of either the Bank or the Group (as the case may be) as of such date, less any deductions from common equity tier 1 capital required to be made as of such date, as calculated by the Bank on an individual basis at the level of the Bank or on a consolidated basis at the level of

the Group (as the case may be) in accordance with the Applicable Banking Regulations on such date (which calculation shall be binding on the Noteholders). For the purposes of this definition, the term "common equity tier 1 capital" shall have the meaning assigned to such term in article 50 of the CRR as interpreted and applied in accordance with the Applicable Banking Regulations and, for avoidance of doubt, subject always to the transitional and grandfathering arrangements thereunder, as applicable in Luxembourg (or, as the case may be, in such other jurisdiction which is the Home Member State of the Bank).

"**Clearing Systems**" means Clearstream Banking S.A. and Euroclear Bank SA/NV, or such other clearing system in which the Notes are a participating security.

"**Code**" has the meaning given to such term in Condition 5(c) (*Payments – Payments subject to fiscal laws*).

"**Consolidated CET1 Ratio**" means as of any date, the ratio of CET1 Capital of the Group as of such date to the Risk Weighted Assets as of the same date, expressed as a percentage, all as calculated on a consolidated basis in accordance with article 92 of the CRR.

"**Consolidated Net Profit**" means the net profit of the Bank as calculated on a consolidated basis and as set out in the last audited annual consolidated accounts of the Bank adopted by the Bank's shareholders' meeting (or such other means of communication as determined by the Bank).

"**Conversion**" means the conversion power referred to in Article 57(2) of the BRR Act 2015 and in point (7) of Article 61(1) of the BRR Act 2015.

"**Coupon Sheet**" has the meaning given to such term in Condition 5(h) (*Payments – Exchange of Talons*).

"**CRD IV**" means the legislative package consisting of the CRD IV Directive and the CRR.

"**CRD IV Directive**" means Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, as the same may be amended or replaced from time to time.

"**CRR**" means Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, as the same may be amended or replaced from time to time.

"**Day Count Fraction**" means, in respect of any period, the number of days in the relevant period, from (and including) the first day in such period to (but excluding) the last day in such period, divided by two times the number of days in the Regular Period in which the relevant period falls.

"**Discretionary Temporary Write-down Instruments**" means, at any time, any instrument (other than the Notes) issued directly by the Bank which at such time (a) qualifies as Additional Tier 1 Capital of the Bank on a consolidated basis, (b) has had all or some of its principal amount written-down and (c) has terms providing for a write-up or reinstatement of its principal amount, at the Bank’s discretion, upon reporting a net profit.

"**Distributable Items**" means, subject as otherwise defined in the Applicable Banking Regulations from time to time:

(i) the amount of the Bank's profits at the end of the financial year immediately preceding the financial year in which the relevant Interest Payment Date falls plus any profits brought forward and reserves available for that purpose before distributions to holders of own funds instruments of the Bank (excluding, for the avoidance of doubt, any Tier 2 instruments (as defined in the Applicable Banking Regulations)); less

(ii) any losses brought forward, profits which are non-distributable pursuant to applicable Luxembourg law and the Bank's articles of association and sums placed to non-distributable reserves in accordance with applicable Luxembourg law and the Bank's articles of association,

those profits, losses and reserves being determined on the basis of the Bank's non-consolidated accounts.

"**€**" or "**euro**" or "**EUR**" means the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty of Rome establishing the European Communities, as amended.

"**Financial Sector Law**" means the law of 5 April 1993 on the financial sector, as amended (*loi du 5 avril 1993 relative au secteur financier, telle qu'elle a été modifiée*).

"**First Reset Date**" has the meaning given to such term in Condition 4(b) (*Redemption and Purchase – Bank's call option*).

"**Global Note**" means any of (i) the permanent global note in bearer form and (ii) the temporary global note in bearer form.

"**Group**" means the Bank and its consolidated Subsidiaries taken as a whole.

"**Independent Adviser**" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Bank under Condition 2(h)(i).

"**Initial Interest Rate**" has the meaning given to such term in Condition 2(b) (*Interest – Rate of Interest*).

"**Interest Payment Date**" has the meaning given to such term in Condition 2(c) (*Interest – Interest Payment Dates*).

"**Issue Date**" means 7 March 2025.

"**Liquidation**" has the meaning given to such term in Condition 1(b) (*Form, Denomination and Status – Status*).

"**Loss Absorbing Instruments**" means, at any time, any instrument (other than the Notes) issued directly by the Bank which qualifies as Additional Tier 1 Capital of the Bank on a consolidated basis and has terms pursuant to which all or some of its principal amount may be written-down (whether on a permanent or temporary basis) or converted into equity (in each case in accordance with its conditions or otherwise) on the occurrence, or as a result, of the Bank's Solo CET1 Ratio or the Group's Consolidated CET1 Ratio falling below a certain trigger level.

"**Loss Absorption Disqualification Event**" is deemed to have occurred if, as a result of any amendment to, or change in, any Loss Absorption Regulations, or any change in the application or official interpretation of any Loss Absorption Regulations, in any such case

becoming effective on or after the Issue Date, the Notes are or (in the opinion of the Bank or the Regulator) are likely to become fully excluded from or ceasing to count towards the Bank's and/or the Group's minimum requirements for (A) own funds and eligible liabilities and/or (B) loss absorbing capacity instruments, in each case as such minimum requirements are applicable to the Bank and/or the Group and determined in accordance with, and pursuant to, the relevant Loss Absorption Regulations.

"**Loss Absorption Regulations**" means, at any time, any requirement contained in the laws, regulations, requirements, guidelines, rules, standards and policies relating to minimum requirements for own funds and eligible liabilities and/or loss absorbing capacity instruments of Luxembourg, the Regulator and/or of the European Parliament or of the Council of the European Union then in effect in Luxembourg and applicable to the Bank and/or the Group including, without limitation to the generality of the foregoing, any delegated or implementing acts (such as regulatory technical standards) adopted by the European Commission and any regulations, requirements, guidelines, rules, standards and policies relating to minimum requirements for own funds and eligible liabilities and/or loss absorbing capacity instruments adopted by the Regulator from time to time (whether such regulations, requirements, guidelines, rules, standards or policies are applied generally or specifically to the Bank or to the Group).

"**Luxembourg Company Law**" means the law of 10 August 1915 on commercial companies, as amended (*loi du 10 août 1915 concernant les sociétés commerciales, telle qu'elle a été modifiée*).

"**Margin**" means 5.111 per cent. per annum.

"**Maximum Distributable Amount**" means any maximum distributable amount relating to the Bank on a solo basis or the Group on a consolidated basis required to be calculated in accordance with article 59-13 of the Financial Sector Law (transposing Article 141(2) of the Capital Requirements Directive) and any analogous restrictions arising from the requirement to meet capital buffers under the Applicable Banking Regulations.

"**Maximum Write-up Amount**" has the meaning given to such term in Condition 8(b) (*Principal Write-down and Principal Write-up – Principal Write-up*).

"**Mid-Swap Rate**" means, in respect of any Reset Period, the 5-year Mid-Swap Rate determined on the Mid-Swap Rate Determination Date applicable to such Reset Period, as determined by the Calculation Agent.

"**Mid-Swap Rate Determination Date**" means, in respect of the determination of the Mid-Swap Rate applicable during any Reset Period, the day falling two Business Days prior to the Reset Date on which such Reset Period commences.

"**Optional Call Date**" has the meaning given to such term in Condition 4(b) (*Redemption and Purchase - Bank's call option*).

"**Original Principal Amount**" means, in respect of a Note at any time, the principal amount of such Note at the Issue Date without having regard to any subsequent Principal Write-down or Principal Write-up pursuant to Condition 8 (*Principal Write-down and Principal Write-up*).

"**Original Reference Rate**" means the Reset Reference Rate (or any component part thereof) (or any successor or alternative rate (or component part thereof) determined pursuant to Condition 2(h).

"**ordinary shares**" means fully paid ordinary shares in the capital of the Bank with a par value, as at the Issue Date, of €70 each.

"**outstanding**" means all the Notes issued other than (a) those that have been fully redeemed or converted in accordance with the Conditions, (b) those in respect of which the date for redemption has occurred and the redemption moneys (including all interest accrued on such Notes to the date for such redemption which has not been cancelled as provided in the Conditions and any interest payable after such date) remain available for payment against presentation and surrender of Notes and/or Coupons, as the case may be, (c) those which have become void or in respect of which claims have become prescribed, (d) those which have been purchased as provided in the Conditions, (e) those mutilated or defaced Notes that have been surrendered in exchange for replacement Notes, (f) (for the purpose only of determining how many Notes are outstanding and without prejudice to their status for any other purpose) those Notes alleged to have been lost, stolen or destroyed and in respect of which replacement Notes have been issued, and (g) any temporary Global Note to the extent that it shall have been exchanged for a permanent Global Note and any Global Note to the extent that it shall have been exchanged for one or more Definitive Notes, pursuant to its provisions.

"**own funds**" has the meaning given to it in the CRR.

"**Payment Business Day**" means, in respect of any place of presentation, any day on which banks are open for presentation and payment of bearer debt securities and for dealings in foreign currencies) in such place of presentation and, in the case of payment by transfer to a euro account, on which the T2 is open.

a "**person**" includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity) or other legal entity.

"**Prevailing Principal Amount**" means, in respect of a Note at any time, the Original Principal Amount of such Note as reduced by any Principal Write-down of such Note (on one or more occasions) at or prior to such time pursuant to Condition 8 (*Principal Write-down and Principal Write-up*) and, if applicable following any Principal Write-down, as subsequently increased by any Principal Write-up of such Note (on one or more occasions) at or prior to such time pursuant to Condition 8 (*Principal Write-down and Principal Write-up*).

"**Principal Write-down**" has the meaning given to such term in Condition 8(a) (*Principal Write-down and Principal Write-up – Principal Write-down*).

"**Principal Write-up**" has the meaning given to such term in Condition 8(a) (*Principal Write-down and Principal Write-up – Principal Write-up*).

"**Proceedings**" has the meaning given to such term in Condition 16(b) (*Governing Law and Jurisdiction - Jurisdiction*).

"**Qualifying Securities**" has the meaning given to such term in 7(a) (*Substitution and variation – Substitution and variation*).

"**Rate of Interest**" shall mean the Initial Interest Rate and/or the relevant Subsequent Interest Rate, as the case may be.

"**Recognised Stock Exchange**" means a Regulated Market or another regulated, regularly operating, recognised stock exchange or securities market in an OECD member state.

"**Regular Period**" means each period from (and including) the Issue Date or any Interest Payment Date to (but excluding) the next Interest Payment Date.

"**Regulated Market**" means a market as defined by Article 4.1(21) of Directive 2014/65/EU of the European Parliament and of the Council on markets on financial instruments, as the same may be amended from time to time.

"**Regulator**" means (a) as applicable in accordance with regulation (EU) No 1024/2013, the European Central Bank, or any successor or replacement to it, (b) the *Commission de Surveillance du Secteur Financier* ("**CSSF**") or such other authority of Luxembourg (or if the Home Member State of the Bank becomes a jurisdiction other than Luxembourg, such other jurisdiction) which assumes or performs the functions, as at the Issue Date, performed by such authority or authorities or such other or successor authority exercising primary supervisory authority with respect to prudential matters in relation to the Bank and (c) in accordance with the BRR Act 2015 and Regulation (EU) No 806/2014, the Single Resolution Board, as applicable.

"**Regulatory Event**" means a change in the regulatory classification of the Notes, on or after the Issue Date, that would be likely to result in their exclusion from own funds or reclassification as a lower quality form of own funds, and both the following conditions are met:

(i) the Regulator considers such a change to be sufficiently certain; and

(ii) the Bank demonstrates to the satisfaction of the Regulator that the regulatory reclassification of the Notes was not reasonably foreseeable at the Issue Date.

For the avoidance of doubt, a Regulatory Event shall not be deemed to have occurred in case of a partial exclusion of the Notes from the Additional Tier 1 Capital of the Bank on a solo and/or of the Group on a consolidated basis as a result of (i) a Principal Write-down or (ii) a change in the regulatory assessment of the tax effects of a Principal Write-down.

"**Regulatory Procedures**" means in respect of any redemption or purchase of the Notes:

(1) on or before such redemption or purchase (as the case may be) of the Notes, the Bank replaces the Notes with own funds instruments of an equal or higher quality on terms that are sustainable for its income capacity; or

(2) the Bank has demonstrated to the satisfaction of the Regulator that the own funds of the Bank and the Group would, following such redemption or purchase (as the case may be), exceed its minimum capital requirements (including any capital buffer requirements) as set out in the CRR, BRR Act 2015 and Financial Sector Law by a margin that the Regulator may consider necessary on the basis set out in the CRR, BRR Act 2015 and Financial Sector Law for it to determine the appropriate level of capital of an institution.

"**Relevant Date**" means whichever is the later of (1) the date on which the payment in question first becomes due and (2) if the full amount payable has not been received in a city in which banks have access to the T2 by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders in accordance with Condition 15 (*Notices*).

"**Relevant Nominating Body**" means:

(i) the central bank for euro, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for euro, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

"**Reset Date**" means the First Reset Date and each fifth anniversary date thereafter, commencing 7 March 2036.

"**Reset Determination Date**" means, in respect of a Reset Period, the day falling two Payment Business Days prior to the first day of such Reset Period.

"**Reset Period**" has the meaning given to such term in Condition 2(b) (*Interest - Rate of interest*).

"**Reset Reference Banks**" means five leading swap dealers in the principal interbank market relating to euro selected by the Bank in its discretion.

"**Reset Reference Bank Rate**" means, with respect to a Mid-Swap Rate Determination Date, the percentage rate determined on the basis of the 5-year Mid-Swap Rate Quotations provided by the Reset Reference Banks to the Calculation Agent at approximately 11:00 a.m. (Central European time) on such Mid-Swap Rate Determination Date. If at least three quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean of the quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean of the quotations provided. If only one quotation is provided, the Reset Reference Bank Rate will be the quotation provided. If no quotations are provided, the Reset Reference Bank Rate will be the last observable mid-swap rate for euro swaps with a term of 5 years which appears on the Screen Page, as determined by the Calculation Agent.

"**Reset Reference Rate**" means in respect of a Reset Period, (i) the applicable annual mid-swap rate for swap transactions in euro (with a maturity equal to five years) as displayed on the Screen Page at 11.00 a.m. (Central European time) on the relevant Reset Determination Date or (ii) if such rate is not displayed on the Screen Page at such time and date, the Reset Reference Bank Rate on the relevant Reset Determination Date.

"**Risk Weighted Assets**" means, in respect of either the Bank or the Group (as the case may be), as of any date, the aggregate amount, expressed in euro, of the risk weighted assets of either the Bank (as calculated on an individual basis at the level of the Bank) or the Group (as calculated on a consolidated basis at the level of the Group) (as the case may be), as of such date, as calculated by the Bank on an individual basis or on a consolidated basis (as the case may be) in accordance with the Applicable Banking Regulations, on such date (which calculation shall be binding on the Noteholders). For the purposes of this definition, the term "risk weighted assets" means the risk weighted assets or total risk exposure amount, as calculated by the Bank, in accordance with article 92 of the CRR and the Applicable Banking Regulations and, for avoidance of doubt, subject always to the transitional and grandfathering arrangements thereunder, as applicable in Luxembourg (or, as the case may be, in such other jurisdiction which is the Home Member State of the Bank).

"**RTS on own funds**" means Commission Delegated Regulation (EU) No 241/2014 of 7 January 2014 supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards for Own Funds requirements for institutions, as amended from time to time.

"**Screen Page**" means Reuters screen "ICESWAP2" or such other page as may replace it on Reuters or, as the case may be, on such other information service that may replace Reuters, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates comparable to the relevant 5-year Mid-Swap Rate.

"**Senior Creditors**" means creditors of the Bank:

(i) who are depositors and/or other unsubordinated creditors; or

(ii) whose claims are, or are expressed to be, junior to the claims of other creditors of the Bank, whether subordinated or unsubordinated (including holders of instruments that constitute (i) Tier 2 instruments (as defined in the Applicable Banking Regulations) and (ii) "senior non preferred" instruments, which are direct, unconditional, unsecured and senior (*chirographaires*) liabilities of the Bank), other than those whose claims rank, or are expressed to rank, *pari passu* with, or junior to, the claims of the Noteholders and Couponholders.

"**shareholders**" means the holders of ordinary shares.

"**Solo CET1 Ratio**" means as of any date, the ratio of CET1 Capital of the Bank as of such date to the Risk Weighted Assets as of the same date, expressed as a percentage, all as calculated on a solo basis in accordance with article 92 of the CRR.

"**Solo Net Profit**" means the net profit of the Bank as calculated on a non-consolidated basis and as set out in the last audited annual non-consolidated accounts of the Bank adopted by the Bank's shareholders' meeting (or such other means of communication as determined by the Bank).

"**Special Event**" has the meaning given to such term in 7(a) (*Substitution and variation – Substitution and variation*).

"**Specified Office**" means, as at the date hereof, 69 route d'Esch, L-2953 Luxembourg, and thereafter such other office of the Agents as may be notified to the Noteholders by the Bank.

"**Subsequent Interest Rate**" has the meaning given to such term in Condition 2(b) (*Interest - Rate of Interest*).

"**Successor Rate**" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

"**TARGET Settlement Day**" means any day on which the T2 is open for the settlement of payments in euro.

"**T2**" means the real time gross settlement system operated by the Eurosystem, or any successor system.

"**Tax Event**" has the meaning given to such term in Condition 4(d) (*Redemption and Purchase – Redemption for Tax Event*).

"**Taxing Jurisdiction**" has the meaning given to such term in Condition 6 (*Taxation*).

a "**Trigger Event**" shall occur, at any time, if the Solo CET1 Ratio of the Bank or the Consolidated CET1 Ratio of the Group, as the case may be, is less than 7.00 per cent. as determined by the Bank, the Regulator or any entity appointed by or acting on behalf of the Regulator.

"**Trigger Event Write-down Date**" has the meaning given to such term in Condition 8(a) (*Principal Write-down and Principal Write-up – Principal Write-down*).

"**Trigger Event Write-down Notice**" has the meaning given to such term in Condition 8(a) (*Principal Write-down and Principal Write-up – Principal Write-down*).

"**Write-down**" means the write-down power referred to in Article 57(2) of the BRR Act 2015 and in point (6) of Article 61(1) of the BRR Act 2015.

"**Write-down Amount**" has the meaning given to such term in Condition 8(a) (*Principal Write-down and Principal Write-up – Principal Write-down*).

"**Written Down**" has the meaning given to such term in Condition 8(a) (*Principal Write-down and Principal Write-up – Principal Write-down*).

"**Written-Down Additional Tier 1 Instrument**" means, at any time, any instrument qualifying as Additional Tier 1 Capital Instrument (including the Notes) issued directly by the Bank and which, immediately prior to the relevant Principal Write-up of the Notes at that time, has a prevailing principal amount that, due to it having been written down, is lower than the original principal amount it was issued with.

(b) *Construction of certain references*

In these Conditions, unless otherwise specified or unless the context otherwise requires:

(i) references to any issue or offer or grant to shareholders "as a class" or "by way of rights" shall be taken to be references to an issue or offer or grant to all or substantially all shareholders, as the case may be, other than shareholders, as the case may be, to whom, by reason of the laws of any territory or requirements of any recognised regulatory body or any other stock exchange or securities market in any territory or in connection with fractional entitlements, it is determined not to make such issue or offer or grant;

(ii) ordinary shares held by the Bank or any of its Subsidiaries shall not be considered as or treated as "in issue";

(iii) references to any act or statute or any provision of any act or statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such modification or re-enactment; and

(iv) headings and sub-headings are for ease of reference only and shall not affect the construction of these Conditions.

OVERVIEW OF PROVISIONS RELATING TO THE NOTES IN GLOBAL FORM

The following is an overview of the provisions to be contained in the Global Notes which will apply to, and in some cases modify, the Conditions while the Notes are represented by the Global Notes.

***Exchange*:**

The Temporary Global Note generally will be exchangeable, in whole or in part, for interests in the Permanent Global Note not earlier than 40 days after the Issue Date upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

The Permanent Global Note will become exchangeable in whole, but not in part, (free of charge to the holder) for Notes in definitive form ("**Definitive Notes**") if one of the following events (each, an "**Exchange Event**") occurs:

(a) Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no alternative clearing system is available; or

(b) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes in definitive form.

The Issuer will promptly give notice to the Noteholders if an Exchange Event occurs. Thereupon the holder of the Permanent Global Note (acting on the instructions of one or more of the Accountholders (as defined below)) may give notice to the Issuer and the Fiscal Agent and (in the case of paragraph (b) above) the Issuer may give notice to the Fiscal Agent of its intention to exchange the Permanent Global Note for the Definitive Notes. Any exchange shall occur no later than 45 days after the date of receipt of the first relevant notice by the Fiscal Agent. Exchanges will be made upon presentation of the Permanent Global Note at the office of the Fiscal Agent on any day on which banks are open for general business in Luxembourg. In exchange for the Permanent Global Note the Issuer will deliver, or procure the delivery of, an aggregate principal amount of definitive Notes equal to the Prevailing Principal Amount of the Permanent Global Note (having attached to them all Coupons in respect of interest which has not already been paid on the Permanent Global Note), security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in the Agency Agreement. On exchange of the Permanent Global Note, the Issuer will procure that it is cancelled and, if the holder so requests, returned to the holder together with any relevant definitive Notes.

In the event that (a) the Global Note (or any part of it) has become repayable in accordance with Condition 4 and payment in full of the amount due has not been made to the bearer, or (b) following an Exchange Event, the Permanent Global Note is not duly exchanged for definitive Notes by the day provided in the Permanent Global Note, then from 8.00 p.m. (Luxembourg time) on such day each Accountholder will become entitled to proceed directly against the Issuer and the bearer will have no further rights under the Global Note.

Payments:

On and after 16 April 2025 no payment will be made on the Temporary Global Note unless exchange for an interest in the Permanent Global Note is improperly withheld or refused. All payments in respect of Notes represented by a Global Note will, subject as set out below, be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of such Global Note to or to the order of the Fiscal Agent or such other paying agent as shall have been notified to the Noteholders for such purposes. A record of each payment made will be endorsed on the appropriate part of the schedule to the relevant Global Note by or on behalf of the Fiscal Agent, which endorsement shall be *prima facie* evidence that such payment has been made in respect of the Notes. Payments of interest on the Temporary Global Note (if permitted by the first sentence of this paragraph) will be made only upon certification as to non-U.S. beneficial ownership unless such certification has already been made.

Payments of principal and interest in respect of the Notes will not be made within the United States.

Notices:

For so long as all the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg (as the case may be) for communication to the relevant Accountholders rather than by publication as required by Condition 15 (*Notices*), provided that, so long as the Notes are listed on the Luxembourg Stock Exchange, notice will also be given by publication in a daily newspaper published in Luxembourg and/or on the Luxembourg Stock Exchange's website, *www.luxse.com*, if and to the extent that the rules of the Luxembourg Stock Exchange so require. Any such notice shall be deemed to have been given to the Noteholders on the second day after the day on which such notice is delivered to Euroclear and/or Clearstream, Luxembourg (as the case may be) as aforesaid.

Accountholders:

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of such Notes (each an "**Accountholder**") (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg (which certificate or other document may comprise any form of statement or print-out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's Cedcom System)) as to the principal amount of such Notes standing to the account of any person shall, in the absence of manifest error, be conclusive and binding for all purposes) shall be treated as the holder of such principal amount of such Notes for all purposes (including but not limited to, for the purposes of any quorum requirements of meetings of the Noteholders) other than with respect to the payment of principal and interest on such principal amount of such Notes, the right to which shall be vested, as against the Issuer solely in the bearer of the relevant Global Note in accordance with and subject to its terms. Each Accountholder must look solely to Euroclear or Clearstream, Luxembourg as the case may be, for its share of each payment made to the bearer of the relevant Global Note.

Calculation of Interest:

For so long as all of the Notes are represented by one or both of the Global Notes, interest payable to the bearer of a Global Note will be calculated by applying the rate of 7.250 per cent. per annum to the Prevailing Principal Amount for the time being outstanding of the Global Note and on the basis of the actual number of days in the relevant period, from and including the day from which interest begins to accrue to but excluding the date on which it falls due, divided by the actual number of days in the Interest Period (as defined in the Conditions) in which the relevant period falls (including the first such day but excluding the last). The resultant figure is rounded to the nearest cent (half a cent being rounded upwards).

Write-down and Write-up:

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) are held on behalf of Euroclear and/or Clearstream, Luxembourg, any Write-down of the Notes will be effected in Euroclear and Clearstream, Luxembourg in accordance with their operating procedures by way of a reduction in the pool factor and any Write-up in respect of the Notes will be effected in Euroclear and Clearstream, Luxembourg in accordance with their operating procedures by way of an increase in the pool factor.

The amount of such Write-down or Write-up will also be endorsed on the appropriate part of the schedule to the relevant Global Note by or on behalf of the Fiscal Agent.

Prescription:

Claims against the Issuer in respect of payments under the Notes represented by a Global Note will be prescribed after ten years (in the case of principal) and five years (in the case of interest) from the Relevant Date (as defined in the Conditions).

Cancellation:

Cancellation of any Note represented by a Global Note and required by the Conditions of the Notes to be cancelled following its redemption or purchase will be effected by endorsement by or on behalf of the Fiscal Agent of the reduction in the prevailing principal amount of the relevant Global Note on the relevant part of the schedule thereto.

Euroclear and Clearstream, Luxembourg:

Notes represented by a Global Note are transferable in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as appropriate. References in the Global Notes and this summary to Euroclear and/or Clearstream, Luxembourg shall be deemed to include references to any other clearing system through which interests in the Notes are held.

Legend:

The following legend will appear on the Permanent Global Notes:

"Any U.S. person who holds this obligation will be subject to limitations under the U.S. income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."

USE OF PROCEEDS

The Issuer intends to use the proceeds of the issue of the Notes for general corporate purposes, which may include investments in, or capital contributions to, its subsidiaries, and in connection with its general funding requirements.

The estimated net amount of proceeds is EUR 296,550,000.

BANQUE INTERNATIONALE À LUXEMBOURG, *SOCIÉTÉ ANONYME*

Founded in 1856, Banque Internationale à Luxembourg ("**BIL**", the "**Bank**" or the "**Issuer**") is the oldest multi-business bank in the Grand Duchy of Luxembourg. It has always played an active role in the development of Luxembourg's economy and issued its first banknotes in the very year of its creation. The bank offers retail, private, corporate and institutional banking as well as treasury and financial market services.

BIL employs approximately 2,000 people in total in its offices in Luxembourg, Switzerland (since 1985), and China (since 2019). Its specialised entities BIL Lease, Belair House and BIL Manage Invest offer a full range of services for investors and professionals.

Through its national and international network, BIL offers bespoke and innovative financial services to meet the specific needs of a broad client base. These services help client wealth and businesses to flourish and support financial professionals in developing their activities.

Introduction

BIL was incorporated in Luxembourg on 8 March 1856 in the form of a public limited liability company (*société anonyme*), governed by Luxembourg law. Its registered office is located at 69, route d'Esch, Luxembourg, L-1470 Luxembourg, Grand Duchy of Luxembourg and its telephone number is +352 45901. BIL is registered in the Luxembourg Register of Commerce and Companies (*Registre de commerce et des sociétés*, Luxembourg) under number B6307. The website of the Issuer is *www.bil.com*. A section dedicated to investors is available under *www.bil.com/en/bil-group/investor-relations/Pages/index.aspx*.

BIL's duration is unlimited.

Objects

BIL's articles of incorporation (*statuts*) were approved by the Royal Grand -Ducal Decrees of 8 March and 14 April 1856 and have been amended from time to time. Amendments to the articles of incorporation are published in the *Mémorial C, Recueil des Sociétés et Associations* and, as from 1st June 2016, in the central electronic platform of official publication for companies and associations (*Recueil électronique des sociétés et associations*) only. The most recent amendment was made on 24 April 2024 (the "**BIL Articles**").

According to the corporate object as set out in article 4 of the BIL Articles, the objectives of BIL are to undertake all banking and financial operations of whatsoever kind, and, *inter alia*, to accept deposits from the public or any other persons or institutions and to grant credit for its own account. It may also undertake all activities reserved for investment firms and to other professionals in the financial sector and all financial, administrative, management and advisory operations directly or indirectly related to its activities. It may establish subsidiaries, branches and agencies in or outside Luxembourg and participate in all financial, commercial and industrial operations.

Principal Activities

BIL provides a broad range of services to meet the needs of its clients, including:

Retail & Digital Banking

Retail and affluent clients have access to a network of branches throughout Luxembourg to meet all their banking, financing, saving and investment needs. In addition to products and services available in the branches, BILnet provides a 24/7 efficient and secure online and mobile banking solution.

Wealth Management

BIL helps private banking clients to manage and structure their wealth, offering services to its European and international clientele via its centres in Luxembourg, Switzerland and China. Clients can access a range of services and support, including custody services and cash management, financial products, investment advisory tools, reporting, execution and technology platforms.

Corporate & Institutional Banking

BIL assists companies of all sizes, financial institutions and the public sector and provides a comprehensive range of banking services and advice, including customised solutions via a responsive organisation with local decision-making centres.

Financial Markets

BIL offers a comprehensive range of professional treasury and financial market products and services, including structured products, warrants and investment funds. These services meet the needs of a diverse client base including banks, insurance firms, large corporations and multinationals, state institutions, asset managers and investment funds. In-house trading floors in Luxembourg and Zurich handle financial market transactions for all business areas of the bank.

Insurance

BIL is a licenced insurance broker and offers its clients and partners a broad range of solutions, such as life insurance, pension schemes and retirement savings.

Origins and history

Banque Internationale à Luxembourg, the first public limited liability bank in Luxembourg, was founded on 8 March 1856, to provide financing for the railways and the iron and steel industry of a country that was at that time predominantly agricultural. The same year, it issued its first banknotes and was one of the few private establishments to retain this privilege until the introduction of the euro. In October 1989 BIL moved into its newly built headquarters on route d'Esch in Luxembourg-City. To commemorate the 150th anniversary of the independence of the Grand Duchy of Luxembourg, the building was named "L'Indépendance".

In July 1985 the Bank commenced its private banking activities in Switzerland.

2017-2022

On 1 September 2017, Legend Holdings Corporation, a Hong Kong-listed diversified investment group, signed an agreement with Precision Capital, a Luxembourg-based financial holding company, to acquire the latter's 89.936% stake in BIL. The acquisition of a majority stake in BIL represents a long-term strategic investment for Legend Holdings with a commitment to strengthening the BIL brand domestically and internationally as well as to further enhancing its client offering and pursuing its strategy. Following the approval of the transaction among others by European and Luxembourgish regulators, the transaction was closed on 2 July 2018. The Grand Duchy of Luxembourg retained its 9.998% ownership of the Bank.

Throughout 2019, Legend Holdings and BIL intensified their cooperation with the launch of the private equity fund "BIL PE I" in collaboration with BIL and Legend Capital. In September 2019, BIL became the first Luxembourgish Bank to open a Representative Office in Beijing, China.

On 16 December 2019, BIL announced a capital increase of EUR 58 million to support the growth of its local commercial activities and its international business. The new shares were issued to existing shareholders of the Bank in proportion to the capital represented by their shares.

Throughout 2020, BIL continued to invest and strengthen its investment capabilities, enhancing its reputation as an entrepreneur-friendly bank as well as an asset manager and trusted advisor. As the country faced an

unprecedented health crisis, BIL committed to support the national economy and its businesses and worked together with the Luxembourg state and other Luxembourgish banks. In March 2020, BIL introduced its new footprint concept and optimised the multi-channel nature of its distribution strategy to address shifting client behaviours and the increasing use of digital services.

At an international level the Bank expanded its wealth management services distribution footprint. On 5 February 2020, BIL acquired 100% of Sino Suisse Financial Group (Hong Kong) Limited. Founded in 2017, Sino Suisse Financial Group (Hong Kong) Limited is an external wealth management firm based in Hong Kong, which provides financial advice to high-net-worth individuals, entrepreneurs and their families. Sino Suisse Financial Group (Hong Kong) Limited was renamed BIL Wealth Management Ltd. The new entity provides financial advice and manages clients' assets with an open architecture concept through BIL Luxembourg, BIL Suisse and other partner banks.

Following the launch over the past few years of BIL's own UCITS fund suite under the brand name BIL Invest, in January 2020, BIL Manage Invest took over the fund and portfolio management for four BIL Invest Patrimonial funds and the brokerage function. The takeover of the management company function of BIL Invest represented another important step in the continuous growth of BIL Manage Invest. With the implementation of the Sustainable Finance Disclosure Regulation (SFDR), all BIL investment products and services processes have been upgraded with the implementation of an exclusion policy and a systematic ESG integration. Four compartments of our BIL Invest Sicav (BIL Invest Patrimonial range) are compliant and eligible with SFDR Art 8 principles.

In 2020, BIL was the first bank in Luxembourg to offer instant payments allowing clients to transfer euros in less than 10 seconds. Initially only available for transfers from and to accounts held with BIL. In September 2020, the service was extended to and from banks in the SEPA.

During on-site inspections in 2017 and 2018, the *Commission de Surveillance du Secteur Financier* (CSSF) identified certain weaknesses in the processes that were in place at that time in the Bank to fight against money laundering and terrorist financing, concerning a limited segment of customers. As a result, the CSSF decided to impose an administrative sanction of EUR 4.6 million in March 2020, which is proportional to the Bank's turnover. No money laundering or terrorism financing activities were identified during these on-site inspections. Prior to this administrative sanction, BIL had already taken appropriate measures to remediate the identified weaknesses. The Bank has since defined a new and strict AML Risk Appetite Statement and related Wealth Management Compliance Guiding Principles, recruited additional compliance specialists and increased AML/CTF training and awareness. Compliance tools, i.e. the AML scoring engine, were promptly upgraded and implemented and the remediation plan is still ongoing.

Major milestones were reached in 2021.The Bank adapted its governance to reflect its strategic priorities and ensure optimal execution. All commercial activities in Luxembourg were placed under one management and a transformation office was created, placing the development and delivery of its new core banking system as a top priority.

The Bank further adapted its international business network to be in line with priorities and continued to focus its commercial reach on markets where it has the knowledge and expertise to deliver added value to its clients. BIL further developed its two main centres of excellence, Luxembourg and Switzerland and continued to build its activities in China (Beijing, Hong Kong and the Greater Bay Area) to serve its international clientele while closing other locations.

In 2021, BIL announced the sale of BIL Fund and Corporate Services S.A. (BFCS). The transaction, pursuant to the Sales and Purchase Agreement (SPA) signed on 23 March 2021 between BIL and the buyer, ZEDRA closed on 15 March 2022. As the Bank pursued greater focus on selected countries, it also transferred its BIL Denmark branch business activity to RingkjØbing Landbobank on 1 July 2021 and centralised its Middle East market desk in Switzerland, closing its Dubai branch on 23 October 2021.

In June 2021, BIL officially joined Leonteq's structured products platform as a result of the partnership between BIL and Leonteq that was initiated in July 2020 for the issuance and distribution of structured investment products. This platform provides BIL with a broad range of services along the entire value chain and greatly advances the Bank's structured product offering, capabilities, efficiency and its visibility across key international markets, therefore enhancing access to a broader base of qualified investors.

BIL is one of the few banks in Luxembourg to have developed syndicated loan activity by positioning itself on the growing market niche of loans of less than EUR 200 million. BIL arranges about ten large, syndicated lending facilities and other complex financial structuring operations per year.

2022 was marked by the war in Ukraine, the inflationary shock and the energy crisis. In this challenging context, BIL's markets of focus are clear, and so is its target clientele. In 2022, BIL again proved its "raison d'être" by supporting the economy when some companies were experiencing difficulties due to the war in Ukraine. The Bank joined the Government's loan guarantee scheme, a part of the so-called "Solidaritéitspak", a package of measures developed by the Luxembourg Government, business groups and labour unions to support companies and households alike amid rising inflation and high energy prices.

BIL entered a partnership with a renowned asset manager that will expand the Bank's private market offering. With this collaboration, the Bank gains access to an extensive range of private market products and will have the support of experts to select the most appropriate products for its Wealth Management clients. The Bank will thus be able to build a broader and more diversified investment product offering embracing diverse geographies, strategies, themes and private market asset classes.

BIL's Wealth Management is an essential activity in the Bank's diversified business model and is key to enable growth and resilience. In addition to its domestic market, BIL's Wealth Management activities are deployed abroad. The Bank streamlined its approach by focusing on a selected number of markets abroad and by optimising its international footprint. Following the transfer of its BIL Denmark branch business activity to RingkjØbing Landbobank in 2021, the BIL Denmark branch closed down on the 7 July 2022. The Bank now fully concentrates its strengths on its two main centres of excellence, Luxembourg and Switzerland, while growing its expertise and business in its two Chinese locations Beijing and Hong Kong.

2023 – 2024 and outlook

In 2023, following a robust post-pandemic expansion in 2021 and 2022, the economy lost momentum. Europe faced multiple macroeconomic challenges, induced by on-going conflicts, in Ukraine and in the Middle East. The rate hike campaigns launched in 2022 by monetary authorities to curb inflation reached a peak during the second half of 2023. In the eurozone, the higher interest rates had the effect of reducing the financing capacity of households and businesses, thus contributing to the slowdown of economic activity.

In Luxembourg, this translated into a downward trend in industry and construction. Construction has been affected by the current downturn in the real estate sector and consequently, slowed down lending activity. However, investment and private consumption are anticipated to grow moderately, as expectations that the ECB will begin to lower interest rates in 2024, with inflation coming under control, are likely to ease the pressure on borrowing capacity and demand for mortgages in the country. Private consumption is projected to remain resilient, supported by additional measures introduced by the Government to tackle high inflation and to maintain households' purchasing power.

In this challenging context, BIL has risen to these external challenges and continues to ensure that its clients, both corporates, institutionals and individuals, benefit from a robust bank, which supports them in bringing their projects to life and which offers them innovative financial solutions. At the end of 2023, BIL's showcased sound asset quality and solid capital and liquidity indicators. Following a reassessment of the Common Equity Tier 1 and Risk Weighted Assets, the Common Equity Tier 1 ratio after profit allocation was restated to 13.45% as of 31 December 2023 and its Liquidity Coverage Ratio improved compared to 2022, at 174% versus 153%.

In 2023, the Bank maintained momentum on the roll out of its transformative five-year strategic plan, laying the foundations for the BIL of tomorrow. BIL's new Core Banking System (CBS) was successfully deployed on the 2 October 2023 and represents BIL's most significant undertaking in 2023. After months of development and testing, BIL Luxembourg migrated its legacy CBS to its new banking platform (Temenos T24). This migration involved transferring an important volume of information to Temenos T24, tailoring Temenos to support the Bank's activities and implementing new controls to ensure the operational performance of the Bank. The new CBS supports most of the Banks' activities, serving as the new backbone for data aggregation, transaction processing, accounting, reporting, regulatory compliance, internal controls and risk management among others.

In a context of everchanging market conditions and regulatory framework, this transformation of an unprecedented scale, an essential pillar of BIL's five-year strategic plan, will provide a solid backbone for future development and bring more flexibility, reliability, and efficiency to the Bank's operations.

In order to tackle any potential issues that the Bank had anticipated during the first months of post go-live operations, a comprehensive "hypercare" organisation was put in place. This setup covered both the identification and prioritisation of any possible issues, issue resolution and most importantly client support in case services were affected. Once the initial run-in phase is complete, the Bank will be able to introduce innovative products faster, enhance its efficiency and client service experience and remain at the forefront of the banking industry.

In 2023, after the successful completion of the CBS change, the Bank also launched the implementation of its new Target Operating Model (TOM), one of the five pillars of BIL's strategy. The TOM programme aims at improving the Bank's organisation and operations. Client-centricity, people-centricity, efficiency and robustness are the key levers of the programme which will be rolled out throughout 2024, fully taking advantage of the Bank's new platform, starting with a new organisational structure put in place in January 2024.

In line with its strategic priorities, to provide a seamless experience to its clients, BIL is moving from an omnichannel approach to a deeper integration of its physical and digital services on its domestic market. With this "phygital" approach, the Bank aims to meet its clients where they are, adapting to their preferences. In 2023, the Bank continued to expand its digital services, and now offers one of the broadest selections of mobile payment solutions to its clients. To improve client servicing, BIL also included in its massive CBS overhaul the implementation of a standard market Client Relationship Management (CRM) solution, improving efficiency in many of the Bank's workflows.

With regards to its commercial activities, BIL continued to develop its value proposition for Entrepreneurs and private clients with an entrepreneurial mindset by enhancing collaboration between its core business lines and reinforcing its ability to serve the needs of its clients. BIL strengthened its corporate finance services and cross-selling set-up with its Wealth Management teams, leveraging on the joint expertise of its Luxembourg and Switzerland teams. The team provides a unique service offering to entrepreneurs and family-owned corporate clients delivering tailor-made solutions across the capital structure (structured finance, debt advisory, equity and quasi-equity, merger and acquisition). Indeed, BIL has built a track record of advisory mandates for Entrepreneurs in various industries, which generates cross-selling opportunities for the Bank, thus supporting BIL's diversified business model.

Throughout 2023, BIL Group also developed its fund services dedicated to asset managers, pension funds, insurance companies and family offices. BIL offers these clients access to a full range of products and services in the alternative investment fund sector, with at its core Alternative Investment Fund Management (AIFM) and depositary services with central administration services offered by selected preferred partners. The Bank also proposes services and solutions such as bridge financing, global custody, treasury management and wealth management. Through its subsidiary BIL Manage Invest, BIL offers Management Company services.

Investing into sustainable finance and ESG related products and services also remained a point of focus in 2023. BIL made significant progress, strengthened its ESG commitments and expanded its ESG investment

product service offerings. More specifically, BIL built on its 2022 track record and issued multiple green bonds to investors supporting the transition to a low-carbon economy and implemented green loans, which aim to support clients in confronting the current challenges and financing transition to renewable energy sources. With respect to product development, two additional BIL Invest funds (BIL Invest Bonds EUR Corporate Investment Grade and BIL Invest Equities Europe) were added to the existing MiFID-ESG compliant in-house funds eligible as Article 8 products as per the SFDR product offering. Six out of seventeen BIL Invest in-house funds are now ESG products and classified as Article 8 under the SDFR, representing 61% of the assets in BIL Invest at the end of 2023. BIL also obtained for the first time a LuxFLAG ESG Discretionary Mandate Label allowing BIL to offer an ESG solution in its discretionary offering.

Moreover, BIL Group continues to closely monitor global geopolitical risk through the assumptions underlying its stress testing and its annual self-assessment exercise. The Group considers the ongoing conflict between Russia and Ukraine to be its main geopolitical risk and continues to closely monitor the situation. . In response to these events, the Group is rigorously applying the measures necessary to strictly enforce all international sanctions and restrictions as and when they are announced. From a risk management perspective BIL's exposure to Russia remains relatively small. The direct impacts of the conflict on the 2023 consolidated financial statements remain limited. Credit exposure towards Russia represents 0.3% of total exposures as at 31 December 2023 (compared to 0.3% of total exposures as at 31 December 2022). All exposures are well collateralised and all collateral is located in Western Europe.

With BIL nearing the close of its Energise Create Together 2025 plan following the deployment in October 2023 of a new Core Banking System, 2024, was a year of transformation. BIL launched a dedicated program to strengthen client centricity across all areas of the Bank, rolled out a new organizational structure aimed at maximizing benefits drawn from the Core Banking System and streamlined its product offering to better fit client needs and efficiency goals.

On 1 January 2024, Karin Scholtes was appointed Head of Luxembourg Market and CIB, replacing Jeffrey Dentzer who was appointed Deputy CEO. Claude Eyschen was appointed Head of Wealth Management, replacing Emilie Hoël who became Head of the CEO Office. Helen Liang, who joined the Bank and the Executive Committee (ExCo) in November 2023, is Head of China Market.

On 30 April 2024, Marcel Leyers retired from his role as Group CEO and member of the management body in its executive function. Marcel Leyers, who remains a Board member was, noting ongoing supervisory formalities, nominated as the new Chair of the Board of Directors as of 1 May 2024, in replacement of Jing Li, who became the new Vice-Chair. As of the same date, Jeffrey Dentzer, Deputy CEO and an existing member of the authorised management, was appointed as the new Group CEO in replacement of Marcel Leyers.

BIL continued to roll out its “phygital” concept throughout its **Retail Banking** activity in Luxembourg. In parallel it pursued digital developments and continued to optimise the location of its branches throughout Luxembourg to ensure a physical presence in locations esteemed most convenient for its clients.

To respond to growing customer demand for more digital services, and to be at the forefront of innovation, BIL invested heavily in its IT infrastructure and worked on its digital service offering, introducing new features to improve processes and client experience. The new Core Banking System is a central infrastructure essential to BIL’s future already facilitating the integration of the most recent technologies and able to absorb the greater volume of operations anticipated for years to come.

Thanks to a wide range of services developed in recent years aimed at its entrepreneurial clientele, BIL continued to grow its **Corporate and Wealth Management** businesses, on track with its strategy. As economic growth remained sluggish and markets volatile throughout 2024, BIL’s Wealth Management teams in Luxembourg, Switzerland and China focused on supporting existing clients. Meanwhile, BIL’s wealth management service offering was simplified to be more efficient and ease development. In parallel, the Bank conducted a strategic review of its wealth management businesses to ensure that its organisation and commercial drive are fully aligned with its strategy going forward. As a result, the BIL decided to concentrate

its resources on a limited number of core markets to support customers where the Bank can bring more value, while optimising its set-up on others. Due to exacerbated competition and a slowdown of the economy, the Bank also decided at the end of 2024 to close its Hong Kong office in China, BIL Wealth Management Limited. BIL is fully committed to its Chinese clients and will continue to serve them with dedicated teams from its two Wealth Management hubs located in Luxembourg and Switzerland. BIL's representative office in Beijing remains fully operational.

In the **Corporate and Institutional Banking** areas, BIL has the unique capability to offer entrepreneurial clients a wide range of services, catering to both their professional and personal needs as a universal bank. In 2024, despite operating in a challenging macroeconomic environment, Institutional Banking activity sustained a strong momentum, further solidifying its commercial franchise. Additionally, thanks to the expertise of its teams based in Luxembourg and Switzerland, BIL Corporate Finance further expanded its activity with major M&A advisory mandates and structured finance deals, ranging from 34 million euros to 213 million euros. Streamlined processes, relentless attention to clients, new services, greater focus of resources on selected markets, BIL will build on these solid foundations and will continue to improve and to adapt to support its clients and grow its business sustainably, building tomorrow together.

Streamlined processes, relentless attention to clients, new services, greater focus of resources on selected markets will set the stage for long-term growth and business model sustainability. BIL will continue to deliver value for its clients and to adapt its commercial activities where necessary with a strong focus on diversifying income streams while maintaining cost efficiency.

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.

In early 2025, Oliver Gorin was appointed Head of Digital Banking including the Retail Banking business line. Karin Scholtes remains the Head of Corporate and Institutional Banking. The Wealth Management business is organized around BIL's two centers of expertise Luxembourg and Switzerland (including the China Market) and are headed by Claude Eyschen and Hans-Peter Borgh respectively. Jérôme Nèble was also appointed as Chief Risk officer of BIL Group, subject to non- EU objection.

ESG (Environmental, Social and Governance)

BIL's Executive Committee and Board of Directors are fully aware of the strategic role BIL, as a financial actor, must play in the transition to a sustainable world. BIL is committed to the sustainable development of its activities and those of its clients by making efforts in its own operations and by encouraging its customers to reduce their emissions and invest sustainably.

The Bank has a clear sustainability strategy, fully integrated in the Bank's Energise Create Together 2025 Strategy and is making indisputable progress in the sustainable action that it takes, through the progressive implementation of its ESG Program.

Four pillars of commitment and responsibility underpin the SustainaBILity Strategy, which guides BIL's strategic decision-making and day-to-day management:

- **Sustainable governance and strategy:** BIL is committed to structure the organisation to address ESG challenges and to embed sustainable finance into the corporate culture.

- **Sustainable products and services:** BIL is committed to develop responsible products and services that create value for its clients whilst supporting the global ecological and social transition. BIL wants to play an active role in the integration of Environmental, Social and Governance (ESG) factors to catalyse the redirection of financial flows towards sustainable activities.

- **Responsible employer:** as a responsible employer, BIL is committed to offer a safe and healthy work environment to enable its employees to develop their potential.

- **Positive impact:** as a major financial actor in the Luxembourgish landscape, the Bank is committed to act for a positive impact on local economy and communities and prepare ground for future generations.

Overall, in 2023:

- The Bank has strengthened its overall ESG governance and defined initial targets which will be monitored at Executive and Board level through a dedicated ESG Dashboard. BIL's Risk management function progressively integrated the management of ESG risks, with a special focus on climate related risks, throughout the whole organization via its global risk framework.

- A broader range of ESG products and services was developed, and investment advisors were trained to address customer sustainability preferences when advising on investments. The emphasis this year was on the credit side, in line with the bank's ambition to be a "transition facilitator" for its customers. All Housing Advisors have been specifically trained to support homeowners in their renovation projects. In parallel work is ongoing for the transition plan assessment of BIL's high-emitting clients. BIL measures and screens its balance sheet as well as its investment portfolios for managing exposure to various ESG risks and supporting the strategic commitments to sustainability.

1. ESG Strategy and Governance

- *Creation of the ESG Strategic Steering Committee:* With the creation in January 2023 of the ESG Strategic Steering Committee, BIL ensures that ESG-related topics are addressed at top level management bodies. Indeed, the ESG Steering Committee is composed of seven permanent members, all members of the Executive Committee (of which 4 are members of the Authorized Management) and the Group Head of Sustainability.

- *ESG Targets & ESG Dashboard*: In July 2022, BIL set its ESG Business ambition of "being a key transition facilitator". In 2023, BIL started the journey to translate this high-level ambition into tangible targets and approved in October '23 an initial set of ESG targets for the Bank. Although BIL has not yet set specific, time-limited decarbonization target, intermediate targets have been identified and addressed: improving the monitoring of our impacts and calculating our carbon footprint (particularly our financed emissions), systematically collecting and monitoring ESG data and engaging with our customers to assess their transition readiness. In parallel with the definition of its ESG targets, BIL also defined a first version of an ESG Dashboard aimed at monitoring key qualitative and quantitative indicators in relation to ESG risks and ensuring that ESG opportunities are monitored and seized. The dashboard serves as a centralized hub, providing a complete insight into the bank's ESG performance. This dashboard is presented twice a year to the Management Bodies, namely the Executive Committee and the Board of Directors.

- *Materiality Assessment*: as part of the Global Reporting Initiative (GRI) reporting standard and the upcoming Corporate Sustainability Reporting Directive (CSRD) guidelines, the Bank has reconducted its stakeholder engagement plan (last exercise was performed in 2021) to identify the material sustainability topics for the Bank, under the requested double-materiality perspective. Overall, the new materiality matrix confirmed that the Bank's ESG strategy addresses issues that are considered

important by our main stakeholders, and that it is therefore appropriate to continue along this path without any major overhaul.

The Materiality Assessment will be revisited in 2024 with a more in-depth view on the concepts of double materiality. BIL will ensure that the assessment is conducted in line with the European Sustainability Reporting Standards (ESRS) guidelines as conveyed by the Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council along with the upcoming Implementation Guidelines on Double Materiality by the European Financial Reporting Advisory Group (EFRAG).

- *ESG Risks*: In accordance with the European Central Bank (ECB) and European Banking Authority (EBA) guidelines, Risk Management teams have continued integrating ESG risk drivers throughout the Risk Management framework. This embedment is summarized below:
    - BIL conducted an ESG risks materiality identification and assessment through its 2023 ESG Risk Cartography, with the intent to further analyse the transmission channels of climate-related risk drivers to financial and non-financial risks, considering a medium to long-term horizon.
    - BIL improved the data coverage of its ESG data, created qualitative and quantitative indicators in the internal reporting to monitor the impact of climate change and environmental degradation on its business activities, relevant economic sectors, and portfolios, comprehensively reflected in the above-mentioned ESG Dashboard.
    - BIL applied in 2023 for the first time ESG stress testing scenarios to identify potential weaknesses, to challenge the business strategy and to have a view on the impacts of the ESG drivers on the credit, market, liquidity and non-financial risks.
    - BIL set ESG objectives and financial targets in the context of climate risk, considering the relevance of client-specific mitigation measures following scientific transition pathways.
- UNPRB and UNGC:
    - In 2021, BIL became a signatory to the UN Global Compact (UNGC), which encourages companies to voluntarily apply the universal principles of sustainable development. By following the UN Global Compact guidelines and benefiting from their training resources and feedback, BIL is gradually gaining maturity in implementing its sustainability strategy. BIL submitted its first Communication on Progress (CoP) report in 2023.
    - In 2021, BIL also signed the UN Principles of Responsible Banking (UNPRB) and continued its work on setting, measuring and transparently communicating clear GHG emissions reduction targets within 4 years of joining, in line with the Paris Agreement's ambitions and based on the latest climate science.

2. Products and services

- *SFDR*: One of BIL's priorities in 2023 remained compliance with regulatory requirements. After the implementation of Level 1 requirements, BIL has been working on the Level 2 requirements of the European Regulation (EU) 2019/2088, the so-called Sustainable Finance Disclosure Regulation (SFDR) regarding website, pre-contractual and periodic reporting disclosures. The last milestone for this regulation was the mandatory statement on the Principal Adverse Impacts (PAI) of the Bank's investment decisions, which can be found here: https://www.bil.com/Documents/documentation-legale/sustainability-factors-en.pdf.
- Considering the evolution of different ESG regulations, the current market demand and considering current operational and data issues, in 2023, BIL has established its *Sustainable Investment Framework*

in accordance with SFDR requirements. The Sustainable Investment Framework is integrated into BIL's Sustainable Investment Policy (the "SI Policy"), which aims to establish a consistent and comprehensive methodology for categorizing financial instruments within two distinct categories: sustainable and non-sustainable. This SI Policy gives a foundation to meet the objectives and needs of investors with sustainability preferences, aligning with the requirements set forth by MiFID II (Markets in Financial Instruments Directive II).

- As for the collection of *sustainability preferences*, in line with the requirements of the MiFID II Directive, the Bank has continued to collect ESG preferences from clients through its first version of its MiFID questionnaire. In parallel, BIL is developing its MiFID questionnaire to collect more granular data which shall be launched in 2024.

- *Sustainable Investments*: With respect to product development, two additional BIL Invest funds (BIL Invest Bonds EUR Corporate Investment Grade and BIL Invest Equities Europe) were categorized and validated by CSSF as article 8 (with PAI consideration) as per the SFDR. BIL achieved new milestone towards responsible investment practices by renewing its BIL Invest Patrimonial LuxFlag ESG Label accreditation and obtaining the new LuxFlag ESG Label also for its two additional article 8 funds: 6 out of 17 BIL invest in-house funds are now ESG products and classified as Article 8 under SFDR, representing 61% of the assets in BIL Invest. Finally, BIL obtained for the first time a LuxFLAG ESG Discretionary Mandate Label for Serenio ESG, allowing BIL to offer an ESG solution in its discretionary offering. Serenio ESG commercialization is foreseen in 2024.

- *Training*: To support these new developments, investment advisors were trained throughout the year to equip them with the knowledge and skills to navigate the evolving landscape of sustainable finance. More than 250 employees from various departments were trained in ESG investing topics. The training courses were focused on: ESG awareness and client ESG preferences, BIL Sustainable Investment Solutions, ESG Client Conversation and SFDR Related Disclosures.

- *ESG Data*: In March 2023, BIL contracted with an additional ESG Data Provider to meet mandatory reporting requirements. These data will also feed into other investment projects and initiatives.

- *Green Bond*: Since its inception, the Green Bond Framework has become an essential tool to enlarge our investor base, strengthen our access to liquidity and offer our clients investments that support the transition to an environmentally sustainable future. 2023 corroborated the pertinence of this investment proposal. Following a promising EUR 90 million new issue production in 2022 (primarily in the form of private placements as detailed in our Allocation and Impact Report), the total outstanding raised by BIL via green bonds amounts to EUR 440 million as of end-2023.

- *Sustainable Lending*: As for the lending side, BIL has continued the work started in 2022 through several initiatives described below:

    - Identification, understanding and assessment of most material risks and impacts related to its credit portfolio, notably the real estate portfolio. BIL has set itself the objective of greening its financed real estate stock, both in terms of acquisition and renovation of existing properties. The prerequisite is having better data collection on the energy performance of the properties financed.

    - Integrating ESG aspects into its lending process, by making energy performance certificate mandatory for any new residential property taken as collateral for a loan. In addition, since September 1, 2023, the energy performance class has also been incorporated into the pricing policy for mortgages to individuals.

    - Raising customer awareness and training employees in energy transition: Housing Advisors have been trained and are now able to advise customers on renovation options.

- Showcasing and enhancing our sustainable financing offer and creating partnerships, such as the bank's partnership with Alfred Reckinger SA, a heat pump installation specialist.

- On the Corporate Financing side, BIL assessed its financed emissions to evaluate ESG transition risks. The following actions were taken in 2023:

  - Awareness: In April 2023, BIL organized a conference for this clientele on the theme "Together towards decarbonization".

  - Alignment measures: BIL is assessing the alignment of its credit and investment banking portfolios with the IEA's NZE 2050 scenario (Net Zero Emissions by 2050 Scenario).

  - Commitment model: Finally, during the fourth quarter of 2023, BIL initiated reflections to implement a customer engagement model, based on the ACT (Assessing Carbon Transition) initiative. This will be a key step in defining the bank's decarbonization strategy, insofar as these customer engagement meetings will provide a more precise view of the situation, maturity, and trajectory of its most emitting customers in terms of transition to a low-carbon world.

3. ESG at corporate level

- *BIL's bank investment portfolio:* in addition to its role as a provider of investment solutions to private and institutional investors, BIL also manages its own portfolio of investment instruments. On 31 December 2023, Green, Social and Sustainable bonds accounted for 20.79% of the total portfolio, for a total amount of EUR 1.8 billion in December 2023 (+31% compared to 31 December 2022). BIL targeted 20% of the Investment Portfolio by the end of 2023.

- CSRD: The Bank has gradually adapted its non-financial reporting to meet future CSRD requirements.

- Operational Carbon Footprint: BIL has been measuring emissions linked to its own operations as well as its financed emissions since 2021. Details can be found in the bank's Sustainability Report.

- Responsible Employer: BIL's focus in 2023 was in managing stress, fatigue and employee commitment in the context of implementing the new core banking system.

- Diversity: In March, BIL signed the Women in Finance Charter to contribute to the improvement of gender diversity in the Luxembourgish financial sector. With the signature of this charter, BIL committed to reach a ratio of 30% of women in the management board and in its senior management by 2028.

- Responsible Procurement: BIL is currently in the process of defining a service providers assessment grid to further implement it in our RFPs and agreements. This will be implemented by Q2 2024. Additionally, the Procurement Team has been trained in June 2023 by an external consulting company on ESG principles.

4. CSR initiatives and donations

As part of its sustainable development strategy, BIL continued launching several initiatives to create ESG awareness and training and uses its Corporate Social Responsibility (CSR) and sponsorship budgets to support different local charities with impact on Health, Education and Environment. Details of the Bank's commitments and the various initiatives undertaken can be found in the Bank's Sustainability report available on www.bil.com.

In conclusion, the implementation of various initiatives underscores our commitment to Environmental, Social and Governance (ESG) principles. BIL worked on defining first concrete ESG targets, enabling us to better

manage ESG risks and exploit opportunities through high-level engagement. To better assess our ESG risk level, the materiality of ESG issues and have a clear vision of where we stand, and what can we improve in the future, BIL solicited its first non-financial rating. The results are promising, with an overall ESG risk rating score of 11.2 (low). We have developed our green financing in line with our ambition to be "Transition Facilitator" for our clients. Sustainable investment products are also central to our sustainable development strategy and obtaining the Luxflag ESG label on an increasing number of our investment funds will help gaining the trust of clients. To support these initiatives, we massively invested in the training of our employees.

Finance by nature is complex. Sustainable finance is a cultural shift and we must ensure that all stakeholders, clients, staff, providers and the society at large are on board. Raising awareness, training and educating will continue to be our focus for the years to come. BIL is committed to embed sustainability in its strategy and to being an actor of the transition to a low carbon economy. Please refer to our latest Sustainability report to have a complete view of our Journey and achievements: https://www.bil.com/sustainability/rapports-fr.html.

Risk Management

The main objectives of the Risk Management function are to: (i) ensure that all risks are under control by identifying, measuring, assessing, mitigating and monitoring them on an on-going basis. Global risk charters, policies and procedures define the framework for controlling all types of risks by describing the methods and the limits defined, as well as escalation procedures; (ii) provide the Management Bodies (the Board of Directors, the Board Risk Committee and the Management Board) and all other relevant stakeholders with a comprehensive, objective and relevant overview of risks; (iii) ensure that the risk limits are compatible with the risk appetite framework, which defines the level of risk the Bank is willing to take to achieve its strategic and financial objectives - the risk teams should make sure that BIL's strategy plan is compatible with the risk appetite; and (iv) ensure compliance with banking regulation requirements by submitting regular reports to the supervisory bodies, taking part in regulatory discussions and analysing all new requirements related to Risk Management.

Principal Subsidiaries

At 5 March 2025, the Bank held a direct interest of at least 20 per cent. in the capital of the following undertakings:

Name of Company	Registered Office	Proportion of capital held directly
Banque Internationale à Luxembourg (Suisse) S.A	Zurich, Switzerland	100.00%
Belair House S.A.	Luxembourg	100.00%
BIL Manage Invest S.A.	Luxembourg	100.00%
BIL Private Invest Management S.à r.l.	Luxembourg	100.00%
BIL Reinsurance S.A.	Luxembourg	100.00%
Biltrust Limited	St Peter Port, Guernsey	100.00%
BIL Wealth Management Limited	Hong Kong SAR, China	100.00%
Europay Luxembourg, *société coopérative*	Luxembourg	46.67%
LuxConstellation S.A.	Luxembourg	24.67%

Private II Wealth Management S.à r.l.	Luxembourg	100.00%
Société Luxembourgeoise de Leasing - BIL Lease S.A.	Luxembourg	100.00%

Board of Directors and Executive Committee (as of the date of this Prospectus)

The Board of Directors has the overall responsibility for Banque Internationale à Luxembourg. It defines, monitors and bears the responsibility for the implementation of robust central administration, governance and internal control arrangements ensuring a sound and prudent management of the Bank. Among its missions, the Board of Directors is responsible for setting and overseeing the overall business and risk strategy and policy including the risk appetite statements and the risk appetite framework. The Board of Directors is assisted by four specialised committees: the Board Strategy Committee, the Board Risk Committee, the Board Audit and Compliance Committee and the Board Remuneration and Nominations Committee.

The Board of Directors may delegate daily management of the Bank either to one or more directors (*administrateur(s)-délégué(s)*), and/or to the Chair of the Management Board, who will have the title Chief Executive Officer (CEO), and/or to a Management Board composed of at least five members and including the Chief Executive Officer, or to other Company employees.

The overall objective of the Management Board is to lead, direct and manage BIL in order to implement the strategy and achieve the business objectives in line with the risk appetite set by the Board of Directors. The Management Board is collegially responsible for the effective day-to-day management of BIL It meets on a weekly basis as an integral part of the Executive Committee and on an ad-hoc basis, as needed.

The Executive Committee (ExCo) is composed of the CEO, the Authorised Management, as well as heads of support functions and business lines, as designated from time to time. The Chief Compliance Officer and the Chief Internal Auditor are permanent invitees to the Commercial and Strategy ExCo. The role and responsibilities of the ExCo are further defined in the Terms of Reference of the ExCo/MB and in the Articles of Association and applicable laws.

The Management Board Members acting as a collegial body, are jointly responsible for the overall management of the Bank and are co-responsible for all the decisions made by the Management Board.

Board of Directors

Name	Function/responsibility	Address	Directorships and significant appointments outside of the Issuer
Marcel Leyers	Chair	69, route d'Esch, L-1470 Luxembourg, Grand Duchy of Luxembourg	
Jing Li	Vice-Chair	10, Lintheschergasse, CH-8001 Zurich, Switzerland	Managing Director, Legend Investment (Europe)
Peng Li	Director	B-17, Raycom Info Tech Park, No.2 Ke Xue Yuan South Road, Haidian District, Beijing 100190, P.R.China	CEO, Legend Holdings Corp.

Maurice Lam	Director	14, Rue Jean-Pierre Schuster, L-9131 Schieren, Grand Duchy of Luxembourg	
Charles Q. Li	Director	18, Frensham Road, GU9 8HE Farnham, Surrey, United Kingdom	
Vincent Thurmes	Director	3, rue de la Congrégation L-1352 Luxembourg, Grand Duchy of Luxembourg	Ministry of Finance
Chris Van Aeken	Director	89, West Heath Road, NW3 7TN London, United Kingdom	
Pierrot Rasqué	Director	3, rue de la Congrégation, L-1352 Luxembourg, Grand Duchy of Luxembourg	Ministry of Finance
David Pilgrim	Director	The Cross, Upper Farringdon, GU34 3DT, Alton, United Kingdom	
Claude Steffen	Director (appointed by the delegation of employees)	69, route d'Esch, L-1470 Luxembourg, Grand Duchy of Luxembourg	
Frank Block	Director (appointed by the delegation of employees)	69, route d'Esch, L-1470 Luxembourg, Grand Duchy of Luxembourg	
Ashley Glover	Director (appointed by the delegation of employees)	69, route d'Esch, L-1470 Luxembourg, Grand Duchy of Luxembourg	
Benoit Migeaux	Director (appointed by the delegation of employees)	69, route d'Esch, L-1470 Luxembourg, Grand Duchy of Luxembourg	

Executive Committee

Name	Title	Function/ responsibility
Jeffrey Dentzer	Chairman*	Chief Executive Officer
Hans-Peter Borgh	Member	Head of International
Olivier Gorin	Member	Head of Digital Banking & Chief Operating Officer
Jérôme Nèble	Member*	Designated Chief Risk Officer

Nico Picard	Member*	Chief Financial Officer
Karin Scholtes	Member*	Head of Corporate & Institutional Banking
Claude Eyschen	Member	Head of Wealth Management

* Member of the Management Board (Authorised Management).

Conflicts of interests

There are no potential conflicts between any duties to BIL in relation to the persons referred to above and their private interest and/or other duties.

The conflict of interests between the Directors' duties and/or the members of the Executive Committee's duties to BIL and their private interests or other duties, if any, are submitted, according to Article 441-7 al 2 of the Luxembourg law of 10 August 1915 on commercial companies, as amended, to the Annual General Meeting.

The business address of each member of the Executive Committee is 69, route d'Esch, L-1470 Luxembourg, Grand Duchy of Luxembourg.

Share capital

As of the date of this Prospectus, BIL's total share capital is fixed at EUR 146,108,270 and is represented by 2,087,261 fully paid-up shares of no par value.

Shareholders

Legend Holdings Corp. holds 89.9804 per cent of the issued share capital in BIL and the Grand Duchy of Luxembourg holds a further 9.9978 per cent.

Fiscal Year and Accounts

The Bank's fiscal year corresponds to the calendar year. Since the financial year starting 1 January 2008, the consolidated financial statements of the Bank have always been prepared in accordance with IFRS Accounting Standards ("**IFRS**") as adopted by the EU.

Independent Statutory Auditors

The independent statutory auditors of BIL are PricewaterhouseCoopers, *Société coopérative*, with their registered address at 2 rue Gerhard Mercator, L-2182 Luxembourg, Grand Duchy of Luxembourg ("**PwC**"). PwC was appointed as independent statutory auditors on 13 December 2019. PwC has audited the consolidated and the parent company financial statements of BIL as of and for the financial years ended 31 December 2022 and 31 December 2023 and issued unqualified independent statutory auditors' reports thereon.

PwC is member of the Institute of Auditors (*l'Institut des Réviseurs d'Entreprises*) and is supervised by the *Commission de Surveillance du Secteur Financier*.

Financial Information

Consolidated Statement of Income:

The table below sets out summary information extracted from the Issuer's audited consolidated statement of income for the years ended 31 December 2022 and 31 December 2023:

(in EUR)	**31/12/22**	**31/12/23**

REVENUES	**644,683,037**	**761,981,764**
EXPENSES	**(459,805,495)**	**(505,308,907)**
GROSS OPERATING INCOME	**184,877,542**	**256,672,857**
Impairments	(18,714,206)	(26,240,305)
Provisions for legal litigations	(774,014)	(38,779)
NET INCOME BEFORE TAX	**165,389,322**	**230,393,773**
Tax expenses	(12,456,961)	(28,625,822)
NET INCOME	**152,932,361**	**201,767,951**
Net income - Group share	152,932,361	201,767,951

Consolidated Balance Sheet:

The table below sets out summary information extracted from the Issuer's audited consolidated balance sheet as of 31 December 2022 and 31 December 2023:

ASSETS (in EUR)	**31/12/22**	**31/12/23**
Cash, balances with central banks and demand deposits	4,373,270,737	2,981,518,726
Financial assets held for trading	15,786,368	19,345,375
Financial investments measured at fair value	952,672,603	581,678,327
Financial assets at fair value through other comprehensive income	*924,933,017*	*550,895,485*
Non-trading financial assets mandatorily at fair value through profit or loss	*27,739,586*	*30,782,842*
Loans and advances to credit institutions	1,098,751,999	674,274,516
Loans and advances to customers	16,482,938,323	16,328,530,371
Financial investments measured at amortised cost	7,883,172,234	8,629,112,546
Derivatives	840,231,612	547,153,628
Fair value revaluation of portfolios hedged against interest rate risk	11,872	0
Investment property	59,748,312	39,815,961
Property, plant and equipment	116,724,076	108,214,376
Intangible fixed assets and goodwill	357,525,588	398,800,773
Current tax assets	1,295,968	953,109
Deferred tax assets	151,927,538	128,102,833
Other assets	78,253,205	97,756,938
TOTAL ASSETS	**32,412,310,435**	**30,535,257,479**

LIABILITIES (in EUR)	**31/12/22**	**31/12/23**
Amounts due to credit institutions	3,397,961,782	3,720,728,528
Amounts due to customers	21,040,952,316	18,455,039,645
Other financial liabilities	30,997,505	25,908,177

Financial liabilities measured at fair value through profit or loss	2,014,665,341	2,836,485,340
Liabilities designated at fair value	*2,014,665,341*	*2,836,485,340*
Derivatives	418,687,606	316,493,915
Debt securities	2,654,048,520	2,034,068,527
Subordinated debts	243,236,959	345,756,383
Provisions and other obligations	49,391,972	54,265,447
Current tax liabilities	1,129,834	1,063,915
Deferred tax liabilities	10,091,719	11,214,380
Other liabilities	273,283,273	320,867,001
TOTAL LIABILITIES	**30,134,446,827**	**28,121,891,258**

SHAREHOLDERS' EQUITY (in EUR)	**31/12/22**	**31/12/23**
Subscribed capital	146,108,270	146,108,270
Share premium	760,527,961	760,527,961
Other equity instruments	174,315,856	174,550,419
Reserves and retained earnings	817,236,900	901,002,600
Net income	152,932,361	201,767,951
SHAREHOLDERS' EQUITY	**2,051,121,348**	**2,183,957,201**
Gains and losses not recognised in the consolidated statement of income	226,742,260	229,409,020
Financial instruments at fair value through other comprehensive income	*238,292,334*	*246,006,027*
Other reserves	*(11,550,074)*	*(16,597,007)*
GROUP EQUITY	**2,277,863,608**	**2,413,366,221**
TOTAL SHAREHOLDERS' EQUITY	**2,277,863,608**	**2,413,366,221**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**32,412,310,435**	**30,535,257,479**

Consolidated Statement of Income

The table below sets out summary information extracted from the Issuer's consolidated statement of income for 30 June 2023 and for the six-month period ended 30 June 2024

(in EUR)	**30/06/23**	**30/06/24**
	(unaudited)	**(unaudited)**
REVENUES	**374,052,447**	**362,896,273**
EXPENSES	**(235,375,176)**	**(252,853,405)**
GROSS OPERATING INCOME	**138,677,271**	**110,042,868**
Impairments	(20,662,174)	(17,375,078)
Provisions for legal litigations	0	1,755,550
NET INCOME BEFORE TAX	**118,015,097**	**94,423,340**
Tax expenses	(15,087,316)	(11,219,236)
NET INCOME	**102,927,781**	**83,204,104**

Consolidated balance sheet

The table below sets out summary information extracted from the Issuer's consolidated balance sheet as at 31 December 2023 and 30 June 2024

ASSETS (in EUR)	**31/12/23**	**30/06/24 (unaudited)**
Cash, balances with central banks and demand deposits	2,981,518,726	2,506,356,578
Financial assets held for trading	19,345,375	27,288,788
Financial investments measured at fair value	581,678,327	747,359,664
Financial assets at fair value through other comprehensive income	*550,895,485*	*714,022,746*
Non-trading financial assets mandatorily at fair value through profit or loss	*30,782,842*	*33,336,918*
Loans and advances to credit institutions	674,274,516	1,949,797,009
Loans and advances to customers	16,328,530,371	16,589,896,409
Financial investments measured at amortised cost	8,629,112,546	8,959,222,711
Derivatives	547,153,628	577,138,812
Investment property	39,815,961	40,215,961
Property, plant and equipment	108,214,376	102,178,693
Intangible fixed assets and goodwill	398,800,773	391,651,357
Current tax assets	953,109	1,024,057
Deferred tax assets	128,102,833	121,688,381
Other assets	97,756,938	83,243,089
TOTAL ASSETS	**30,535,257,479**	**32,097,061,509**

LIABILITIES (in EUR)	**31/12/23**	**30/06/24 (unaudited)**
Amounts due to credit institutions	3,720,728,528	4,836,727,249
Amounts due to customers	18,455,039,645	18,545,397,174
Other financial liabilities	25,908,177	23,175,655
Financial liabilities measured at fair value through profit or loss	2,836,485,340	2,940,935,662
Liabilities designated at fair value	*2,836,485,340*	*2,940,935,662*
Derivatives	316,493,915	292,086,929
Debt securities	2,034,068,527	2,409,721,821
Subordinated debts	345,756,383	344,277,422
Provisions and other obligations	54,265,447	51,234,876
Current tax liabilities	1,063,915	4,876,311
Deferred tax liabilities	11,214,380	12,168,357
Other liabilities	320,867,001	265,728,211
TOTAL LIABILITIES	**28,121,891,258**	**29,726,329,667**

TOTAL SHAREHOLDERS' EQUITY	**2,413,366,221**	**2,370,731,842**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**30,535,257,479**	**32,097,061,509**

Capital position and requirements

Based on the Supervisory Review and Evaluation Process ("**SREP**") in 2024, BIL Group received a Pillar 2 SREP requirement of 2.5 per cent. and a Pillar 2 guidance, both to be fulfilled by Common Equity Tier 1 ("**CET1**") and the former split according to Article 104(a) of the CRR. Consequently, as at 30 June 2024, BIL's consolidated minimum CET1 ratio requirement amounts to 9.48 per cent., to which the Pillar 2 guidance is added. This is the sum of 4.5 per cent. Pillar 1 requirement plus 2.5 per cent. minimum requirement for capital conservation buffer, plus 0.57 per cent. minimum requirement for countercyclical buffer, plus 0.50 per cent. minimum requirement for OSII (Other Systematically Important Institution), plus 1.41 per cent. Pillar 2 requirement buffer. A breach of the minimum requirements would induce constraints, for example in relation to dividend distributions and coupon payments on certain capital instruments, including the Notes.

Additionally, BIL is subject to a Tier 1 Pillar 1 requirement of 6 per cent and a Total Capital Pillar 1 requirement of 8 per cent. With regards to both the Pillar 1 and the Pillar 2 requirement, 56.25 per cent. of it is to be held in the form of CET1 capital and 75 per cent. in the form of Tier 1 capital, as a minimum.

Any shortfall in Pillar 1 and Pillar 2 requirement components which would otherwise be made up of Additional Tier 1 capital ("**AT1**") according to CRR or Tier 2 up to their respective limits would have to be met with CET1 for an AT1 shortfall and AT1 or CET1 for a Tier 2 shortfall in order to avoid a breach of the Maximum Distributable Amount.

Available distributable items ("**ADI**") of the Group as at 30 June 2024 amount to EUR 837.6 million (Source: internal data, unaudited).

In September 2024, the CSSF published a FAQ (Regulation No 14-02 - Determination of distributable amounts of credit institutions using fair value in the statutory accounts). The Bank estimates that this publication would have a negative impact of around €120m on its ADI calculation as of 30 June 2024.

For the Maximum Distributable Amount calculation, the applicable Pillar 1 and Pillar 2 requirements and the combined buffer requirement (capital conservation, countercyclical and OSII buffers) are taken into account. Consequently, based on BIL Group's reported capital ratios, the MDA buffers as at 30 June 2024 are described in the table below (Source: BIL Group unaudited interim consolidated financial statements as at 30 June 2024 and internal data, unaudited).

As at 30 June 2024

	CET1	**Tier 1**	**Total Capital**
MDA Threshold	9.48%	11.45%	14.07%
BIL Group Ratio	12.74%	14.20%	16.94%
BIL Group RWA (€m)	11,673		
BIL Group MDA Buffer (%)	3.27%	2.75%	2.75%
BIL Group MDA Buffer (€m)	381	321	321

TAXATION

The following is a general description of certain tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes whether in those countries or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of Luxembourg of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes. This summary is based upon the law as in effect on the date of this Prospectus and is subject to any change in law that may take effect after such date.

Also investors should note that the appointment by an investor in Notes, or any person through which an investor holds Notes, of a custodian, collection agent or similar person in relation to such Notes in any jurisdiction may have tax implications. Investors should consult their own tax advisers in relation to the tax consequences for them of any such appointment.

LUXEMBOURG TAX

The following information is of a general nature only and is based on (i) the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice and (ii) the assumption that the Notes qualify as debt from a Luxembourg tax perspective. Prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy, impost or other charge or withholding of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only. Also, please note that a reference to Luxembourg income tax encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*) as well as personal income tax (*impôt sur le revenu*) generally. Investors may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income taxes, municipal business tax, as well as the solidarity surcharge invariably apply to most corporate taxpayers resident in Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

Taxation of the Noteholders

Withholding Tax

(i) Non-resident Noteholders

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident Noteholders, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident Noteholders.

(ii) Resident Noteholders

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005, as amended (the "**Relibi Law**"), there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident Noteholders, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident Noteholders.

Under the Relibi Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to an individual beneficial owner who is a resident of Luxembourg will be subject to a withholding tax of 20 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payment of interest under the Notes coming within the scope of the Relibi Law will be subject to a withholding tax at a rate of 20 per cent.

Income Tax

(i) Non-resident Noteholders

A non-resident Noteholder, not having a permanent establishment or permanent representative in Luxembourg to which/whom such Notes are attributable, is not subject to Luxembourg income tax on interest accrued or received, redemption premiums or issue discounts, under the Notes. A gain realised by such non-resident Noteholder on the sale or disposal, in any form whatsoever, of the Notes is further not subject to Luxembourg income tax.

A non-resident corporate Noteholder or an individual Noteholder acting in the course of the management of a professional or business undertaking, who has a permanent establishment or permanent representative in Luxembourg to which or to whom such Notes are attributable, is subject to Luxembourg income tax on interest accrued or received, redemption premiums or issue discounts, under the Notes and on any gains realised upon the sale or disposal, in any form whatsoever, of the Notes.

(ii) Resident Noteholders

Noteholders who are residents of Luxembourg will not be liable for any Luxembourg income tax on repayment of principal.

Luxembourg resident corporate Noteholders

A corporate Noteholder must include any interest accrued or received, any redemption premium or issue discount, as well as any gain realised on the sale or disposal, in any form whatsoever, of the Notes, in its taxable income for Luxembourg income tax assessment purposes.

A corporate Noteholder that is governed by the law of 11 May 2007 on family estate management companies, as amended, or by the law of 17 December 2010 on undertakings for collective investment, as amended, by the law of 13 February 2007 on specialised investment funds, as amended, or by the law of 23 July 2016 on reserved alternative investment funds and which does not fall under the special tax regime set out in article 48 thereof is neither subject to Luxembourg income tax in respect of interest accrued or received, any redemption premium or issue discount, nor on gains realised on the sale or disposal, in any form whatsoever, of the Notes.

Luxembourg resident individual Noteholder

An individual Noteholder, acting in the course of the management of his/her private wealth, is subject to Luxembourg income tax at progressive rates in respect of interest received, redemption premiums or issue discounts, under the Notes, except if (i) withholding tax has been levied on such payments in accordance with the Relibi Law, or (ii) the individual holder of the Notes has opted for the application of a 20 per cent. tax in full discharge of income tax in accordance with the Relibi Law, which applies if a payment of interest has been made or ascribed by a paying agent established in an EU Member State (other than Luxembourg), or in a Member State of the European Economic Area (other than an EU Member State). A gain realised by an individual Noteholder, acting in the course of the management of his/her private wealth, upon the sale or disposal, in any form whatsoever, of Notes is not subject to Luxembourg income tax, provided this sale or disposal took place more than six months after the Notes were acquired. However, any portion of such gain corresponding to accrued but unpaid interest income is subject to Luxembourg income tax, except if tax has been levied on such interest in accordance with the Relibi Law.

An individual Noteholder acting in the course of the management of a professional or business undertaking must include this interest in its taxable basis. If applicable, the tax levied in accordance with the Relibi Law will be credited against his/her final tax liability.

Net Wealth Taxation

A corporate Noteholder, whether it is a resident of Luxembourg for tax purposes or, if not, it maintains a permanent establishment or a permanent representative in Luxembourg to which/whom such Notes are attributable, is subject to Luxembourg wealth tax on such Notes, except if the Noteholder is governed by the law of 11 May 2007 on family estate management companies, as amended, by the law of 17 December 2010 on undertakings for collective investment, as amended, by the law of 13 February 2007 on specialised investment funds, as amended, by the law of 23 July 2016 on reserved alternative investment funds, or is a securitisation company governed by the law of 22 March 2004 on securitisation, as amended, or is a capital company governed by the law of 15 June 2004 on venture capital vehicles, as amended. Please however note that securitisation companies governed by the law of 22 March 2004 on securitisation, as amended, or capital companies governed by the law of 15 June 2004 on venture capital vehicles, as amended, or reserved alternative investment funds governed by the law of 23 July 2016 and which fall under the special tax regime set out under article 48 thereof may, under certain conditions, be subject to minimum net wealth tax.

An individual Noteholder, whether he/she is a resident of Luxembourg or not, is not subject to Luxembourg wealth tax on such Notes.

Other Taxes

In principle, neither the issuance nor the transfer, repurchase or redemption of Notes will give rise to any Luxembourg registration tax or similar taxes.

However, a fixed or *ad valorem* registration duty may be due upon the registration of the Notes in Luxembourg in the case where the Notes are physically attached to a public deed or to any other document subject to mandatory registration, as well as in the case of a registration of the Notes on a voluntary basis.

Where a Noteholder is a resident of Luxembourg for tax purposes at the time of his/her death, the Notes are included in his/her taxable estate for inheritance tax assessment purposes.

Gift tax may be due on a gift or donation of Notes if embodied in a Luxembourg deed passed in front of a Luxembourg notary or recorded in Luxembourg.

THE PROPOSED FINANCIAL TRANSACTIONS TAX ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**").

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

FATCA

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as "**FATCA**", a "**foreign financial institution**" (as defined by FACTA) may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including the jurisdiction of the Issuer) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes.

SUBSCRIPTION AND SALE

Goldman Sachs International, Morgan Stanley & Co. International plc and Banque Internationale à Luxembourg, *société anonyme* (all together, the "**Managers**") have, pursuant to a subscription agreement dated 5 March 2025 (the "**Subscription Agreement**"), jointly and severally agreed to subscribe for the Notes at their issue price of 100 per cent. of their principal amount less commissions. The Issuer has also agreed to reimburse the Managers for certain of their expenses incurred in connection with the management of the issue of the Notes. The Managers are entitled in certain circumstances to be released and discharged from their obligations under the Subscription Agreement prior to the closing of the issue of the Notes.

Save for any fees payable to the Managers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. Certain of the Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and/or its affiliates in the ordinary course of business. The Managers and their affiliates have received, or may in the future receive, customary fees and commissions for these transactions.

United States

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from or not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder.

Each Manager has represented and agreed that it will not offer, sell or deliver the Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution of all of the Notes, within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S of the Securities Act and that it will have sent to each manager to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering, an offer or sale of the Notes within the United States by any manager (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Prohibition of sales to EEA Retail Investors

Each Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available Notes which are the subject of the offering contemplated by this Prospectus to any retail investor in the European Economic Area. For the purposes of this provision, the expression **retail investor** means a person who is one (or more) of the following:

(a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

(b) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

United Kingdom

Prohibition of sales to UK Retail Investors

Each Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available Notes which are the subject of the offering contemplated by this Prospectus to any retail investor in the United Kingdom. For the purposes of this provision, the expression **retail investor** means a person who is one (or more) of the following:

(a) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or

(b) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

Other regulatory restrictions

Each Manager has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Canada

Each Manager has acknowledged that no prospectus has been filed with any securities commission or similar regulatory authority in Canada in connection with the offer and sale of the Notes, the Notes have not been, and will not be, qualified for sale under the securities laws of Canada or any province or territory thereof and no securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon this Prospectus or the merits of the Notes and any representation to the contrary is an offence.

Each Manager has represented and agreed that it has not offered, sold or distributed and will not offer, sell or distribute any Notes, directly or indirectly, in Canada or to or for the benefit of any resident of Canada, other than in compliance with applicable securities laws and, without limiting the generality of the foregoing:

(a) any offer, sale or distribution of the Notes in Canada will be made only to purchasers that are "accredited investors" (as such term is defined in section 1.1 of NI 45-106 or, in Ontario, as such term is defined in section 73.3(1) of the *Securities Act* (Ontario)), that are also "permitted clients" (as such term is defined in section 1.1 of NI 31-103), that are purchasing as principal, or are deemed to be purchasing as principal in accordance with applicable Canadian securities laws, and that are not a person created or used solely to purchase or hold the Notes as an "accredited investor" as described in paragraph (m) of the definition of "accredited investor" in section 1.1 of NI 45-106;

(b) either (I) it is appropriately registered under applicable Canadian securities laws in each relevant province or territory to sell and deliver the Notes, (II) such sale and delivery will be made through an affiliate of it that is so registered if the affiliate is registered in a category that permits such sale and has agreed to make such sale and delivery in compliance with the

representations and agreements set out herein, or (III) it is relying on an exemption from the dealer registration requirements under applicable Canadian securities laws and has complied with the requirements of that exemption; and

(c) it has not and will not distribute or deliver this Prospectus, or any other offering material in connection with any offering of the Notes, in Canada or to any person subject to the securities laws of any province or territory of Canada, other than in compliance with applicable Canadian securities laws.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**Financial Instruments and Exchange Act**"). Accordingly, each Manager has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

Singapore

Each Manager has acknowledged that this Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Manager has represented and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of this Prospectus, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act of Singapore (the "**SFA**")) and in accordance with the conditions specified in Section 274 of the SFA, or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to, and in accordance with the conditions specified in Section 275 of the SFA.

In connection with Section 309B of the SFA and the CMP Regulations 2018, unless otherwise specified before an offer of Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Hong Kong

Each Manager has represented and agreed that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any

advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

France

Each Manager has represented and agreed that it undertakes to comply with applicable French laws and regulations in force regarding the offer, the placement or the sale of the Notes and the distribution in France of the Prospectus or any other offering material relating to the Notes.

Belgium

Each Manager has represented and agreed that an offering of Notes may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time (a "**Belgian Consumer**") and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Notes, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer.

Germany

Each Manager has represented and agreed that it has only offered or sold and that it shall only offer or sell the Notes in the Federal Republic of Germany in compliance with the provisions of the German Securities Prospectus Act (*Wertpapierprospektgesetz*) and any other laws applicable in the Federal Republic of Germany governing the issue, sale and offering of the Notes.

Italy

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of this Prospectus or of any other document relating to any Notes be distributed in Italy, except, in accordance with any Italian securities, tax and other applicable laws and regulations.

Each Manager has represented and agreed that it has not offered, sold or delivered, and will not offer, sell or deliver any Notes or distribute any copies of this Prospectus or any other document relating to the Notes in the Republic of Italy ("**Italy**") except:

(a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of the Prospectus Regulation and any applicable provision of Legislative Decree no. 58 of 24 February 1998 (as amended, the "**Financial Services Act**") and Article 34-ter, paragraph 1, letter (b) of CONSOB regulation No. 11971 of 14 May 1999 (the "**CONSOB Regulation**"), all as amended from time to time; or

(b) in any other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 34-*ter* of the CONSOB Regulation and applicable Italian laws, each as amended from time to time.

In any event, any offer, sale or delivery of the Notes or distribution of copies of this Prospectus or any other document relating to the Notes in Italy under paragraphs (a) or (b) above must be:

(a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Financial Services Act, Legislative Decree No. 385

of 1 September 1993 (the "**Banking Act**") and CONSOB Regulation No. 20307 of 15 February 2018, all as amended from time to time;

(b) in compliance with Article 129 of the Banking Act, as amended from time to time, and the implementing guidelines of the Bank of Italy, as amended from time to time pursuant to which the Bank of Italy may request post-offering information on the issue or the offer of securities in Italy; and

(c) in compliance with any other applicable laws and regulations, including any requirement or limitation which may be imposed from time to time by CONSOB or the Bank of Italy or any other competent authority.

See also "*Transfer Restrictions in Italy*" below.

Transfer Restrictions in Italy

Investors should note that, in accordance with Article 100-bis of the Financial Services Act, where no exemption from the rules on public offerings applies under paragraphs (a) and (b) above, the subsequent distribution of the Notes on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under the Financial Services Act and the CONSOB Regulation. Furthermore, where no exemption from the rules on public offerings applies, the Notes which are initially offered and placed in Italy or abroad to professional investors only but in the following year are "systematically" distributed on the secondary market in Italy become subject to the public offer and the prospectus requirement rules provided under the Financial Services Act and CONSOB Regulation. Failure to comply with such rules may result in the sale of such Notes being declared null and void and in the liability of the intermediary transferring the financial instruments for any damages suffered by purchasers of Notes who are acting outside of the course of their business or profession.

This Prospectus and the information contained herein are intended only for the use of its recipient and are not to be distributed to any third-party resident or located in Italy for any reason. No person resident or located in Italy other than the original recipients of this document may rely on it or its contents.

General

Each Manager has agreed that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers the Notes or possesses or distributes this Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Managers shall have any responsibility therefor.

None of the Issuer and the Managers represents that the Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

GENERAL INFORMATION

Authorisation

The creation and issue of the Notes has been authorised by a resolution of the Board of Directors of the Issuer dated 25 September 2024.

Listing and Admission to Trading

Application has been made to the CSSF to approve this document as a prospectus. Application has also been made to the Luxembourg Stock Exchange for the Notes to be admitted to trading on the professional segment of the regulated market of the Luxembourg Stock Exchange and to be listed on the Official List of the Luxembourg Stock Exchange with effect from 7 March 2025. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2014/65/EU). The Issuer estimates that the total expenses related to admission of the Notes to trading will be approximately €15,450.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records).

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Legal and Arbitration Proceedings

Neither the Issuer nor any of its subsidiaries is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Prospectus which may have or have had in the recent past significant effects on the financial position or profitability of the Issuer.

Significant/Material Change

There has been no significant change in the financial performance or position of the BIL Group since 30 June 2024 and there has been no material adverse change in the prospects of the Issuer or the BIL Group since 31 December 2023.

Independent Statutory Auditors

PricewaterhouseCoopers, *Société coopérative* (a member of the *Institut des Réviseurs d'Entreprises* (the Luxembourg institute of chartered accountants)) has audited the consolidated and the parent company financial statements of BIL as of and for the years ended 31 December 2022 and 31 December 2023 and issued unqualified independent statutory auditors' reports thereon.

Documents on Display

Copies of the following documents will be available from https://www.bil.com/en/bil-group/investor-relations/Pages/index.aspx for 10 years from the date of this Prospectus:

(a) this Prospectus and any supplement hereto;

(b) the audited financial statements of the Issuer in respect of the financial years ended 31 December 2022 and 31 December 2023, in each case together with the audit reports prepared in connection therewith; and

(c) the most recently published unaudited interim condensed consolidated financial statements in respect of the six-month period ended 30 June 2024 of the Issuer.

Copies in physical form of the articles of association of the Issuer and the Agency Agreement will be available for inspection, free of charge, at the specified offices of each of the Paying Agents during normal business hours, so long as any of the Notes are outstanding.

An electronic copy of the articles of association of the Issuer will be available, free of charge, on the Issuer's website (https://www.bil.com/en/BIL-group/documentation/Pages/legal-documentation.aspx), so long as any of the Notes are outstanding.

The Prospectus will be available to view on the Luxembourg Stock Exchange's website (www.luxse.com).

Material Contracts

No contract (other than contracts entered into in the ordinary course of business) has been entered into by the Issuer or any of its subsidiaries which is, or may be, material or contains, or may contain, provisions which could result in the Issuer or any of its subsidiaries being under an obligation or entitlement which is or may be material to the Issuer's ability to meet its obligations to holders of the Notes.

Yield

Until the First Reset Date, the yield in respect of the Notes is 7.381 per cent. per annum and is calculated at the Issue Date on the basis of the issue price of 100 per cent. of the principal amount of the Notes.

ISIN and Common Code

The ISIN for the Notes is XS2916827152 and the common code is 291682715.

Legal Entity Identifier (LEI)

The Legal Entity Identifier (LEI) code for the Issuer is 9CZ7TVMR36CYD5TZBS50.

Conflicts

Certain of the Managers and their affiliates may have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to, the Issuer and its affiliates in the ordinary course of business. Certain of the Managers and their affiliates may have positions, deal or make markets in the Notes, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Some of the Managers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. Any such short positions could adversely affect future trading prices of Notes. The Managers and

their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

THE ISSUER

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JOINT LEAD MANAGER

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FISCAL AND PAYING AGENT

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LUXEMBOURG LISTING AGENT

Banque Internationale à Luxembourg, *société anonyme*
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LEGAL ADVISERS

To the Managers as to Luxembourg law:

Allen Overy Shearman Sterling, *société en commandite simple*
inscrite au Barreau de Luxembourg
5, avenue John F. Kennedy
L-1855 Luxembourg

INDEPENDENT STATUTORY AUDITORS TO THE ISSUER

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2, rue Gerhard Mercator,
L-2182 Luxembourg