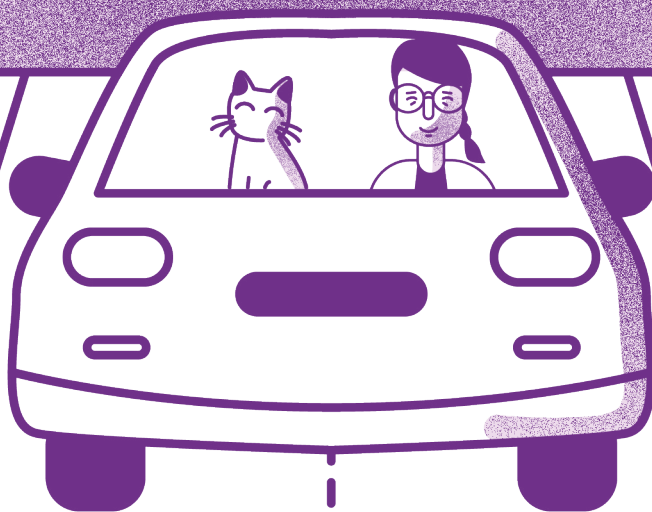


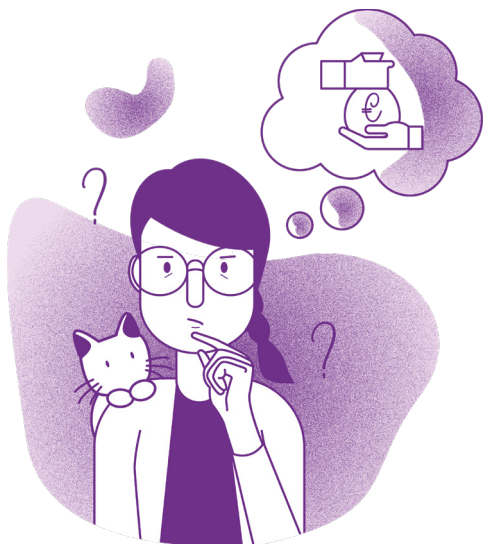
Preparing your

personal loan application



BANQUE  
INTERNATIONALE  
À LUXEMBOURG




## WHAT IS A PERSONAL LOAN?

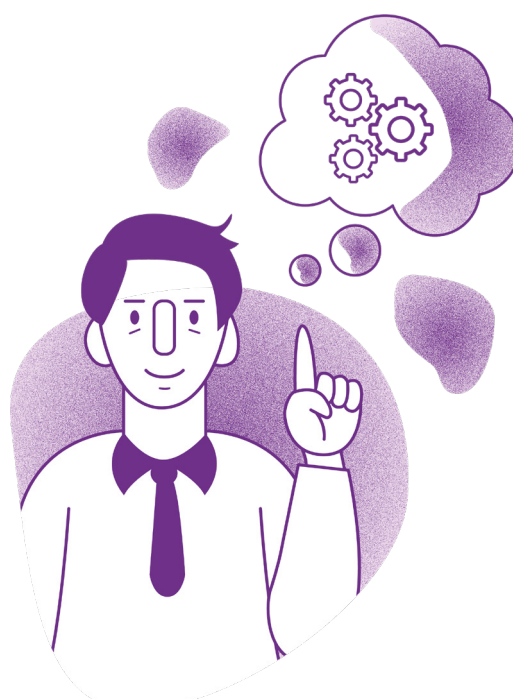


A **personal loan**, also referred to as consumer credit, is a loan agreement whereby an individual is provided with a certain sum of money that **they must subsequently repay in fixed regular instalments** (typically on a monthly basis) over a given period of time. It is not the same as a mortgage, which is taken out to buy a house or flat.



## HOW DOES IT WORK?

The amount of your personal loan and how long you have to pay it back **vary** from one bank or financial institution to the next. However, there are **three fundamental** principles that apply for most Luxembourg financial institutions:

-  in most cases, the maximum amount you can borrow is **under €75,000**;
-  you generally have **between 12 and 60 months** to repay the loan. This relatively short time period means that monthly instalments quickly mount up depending on the amount you borrow;
-  interest rates on personal loans are often **higher** than on mortgages.



## WHAT ARE THE BENEFITS?

-  Personal loans can be declared as **“special expenses”** in your tax return, or annual adjustment procedure in Luxembourg.
-  Up to €672 per year in debit interest can be **deducted** from your Luxembourg tax base; each person within the tax household can benefit from this deduction separately.



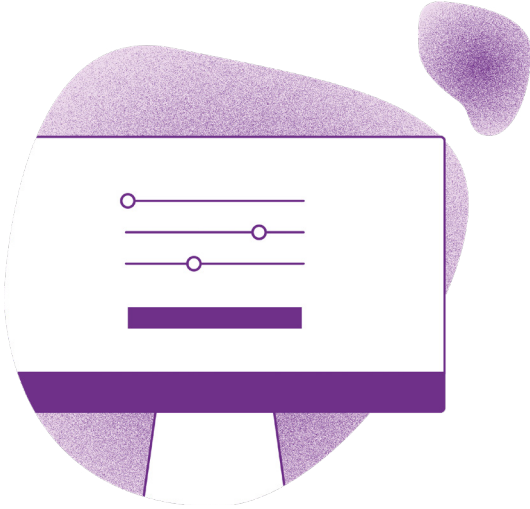
N.B. The tax-deductible limit of €672 per year per person in the tax household is for **all** deductible debit interest and insurance premiums combined.



## WHAT ARE THE STEPS?

# 1

### Your simulation



Would you like to finance a **new vehicle**?

Visit

[www.bil.com/prêtauto](http://www.bil.com/prêtauto)



Would you like to finance **another project**?

Visit

[www.bil.com/prêtconso](http://www.bil.com/prêtconso)

**Do an online simulation** and see which conditions you qualify for (preferential rates for young people, green cars, etc.)

Start your application by filling in your **personal information** (age, dependent children) and **financial information** (income, expenses) so that we can analyse your situation and immediately provide you with an agreement-in-principle\*.

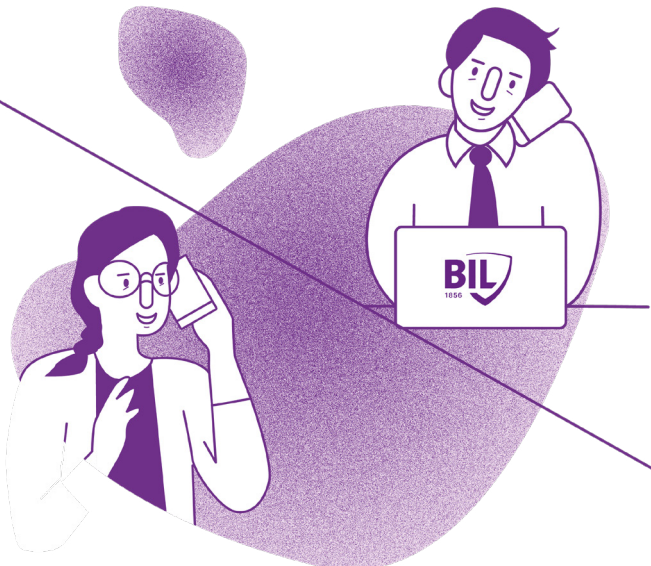


We **confirm** our agreement-in-principle



Please **review your project** (amount or term of loan)

Have you received your agreement?  
Go ahead and schedule a meeting at  
your local branch.







\*An agreement-in-principle in no way constitutes a promise of a loan.

# 2

## Your meeting

Your RM will **confirm the meeting** at your branch or remotely and send you the information and documents required to prepare your application.

### Checklist

-  **Order form or invoice;**
-  **details of existing loans;**
-  **your most recent pay slips;**
-  **any other documents** required to submit your application and approval of the funding sought.

Your Relationship Manager **will check all** of your financing and protection options with you depending on your situation.



# 3

## Validation

Receive a **prompt response** on whether your application is accepted. You have two options:



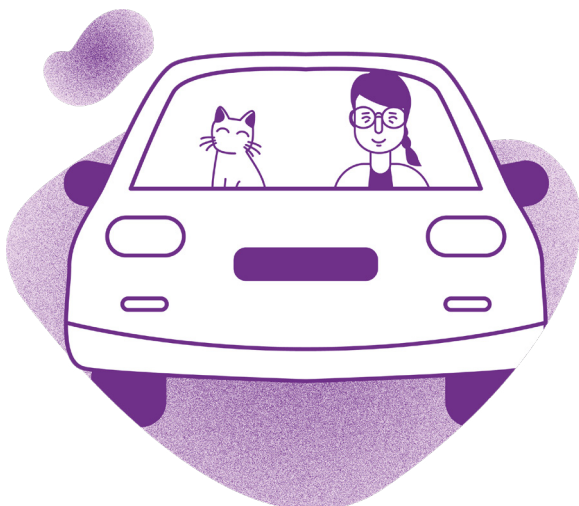
**Receive** your documents in your BILnet and **sign them remotely** using your Token or



**Just come** to your branch to see your RM and **sign** your documents.



**Your funds are available in your account, you can now use your new vehicle or begin your new project.**



## WOULD YOU LIKE TO KNOW MORE?

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Understanding  
personal loans



Consumer loans for  
special expenses



Purchasing a vehicle:  
leasing or loan

## Glossary

### Préfilux

Don't worry, "Préfilux" is just a BIL **personal loan**

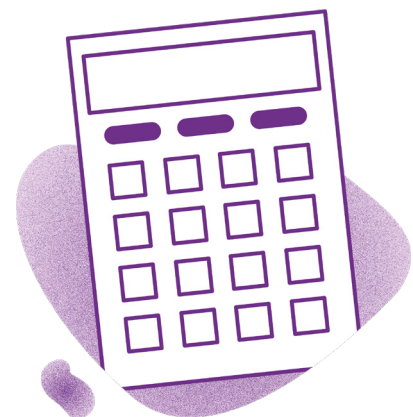


### Comfort Option

Would you like to protect your family in the event of your death? Choose the Comfort Option offering **death cover** and the bank repays the outstanding balance of the personal loan in full in the event of the borrower's death.

### Lending rates

**Interest rate expressed as an annual percentage rate**, which calculates the interest to be paid by the client. Good news, debit interest can be deducted in your tax return.



### APR

The Annual Percentage Rate (APR) is an **indicator** that includes the nominal rate of the loan, plus the fees incurred by taking out the loan, such as application fees, interest and death insurance.

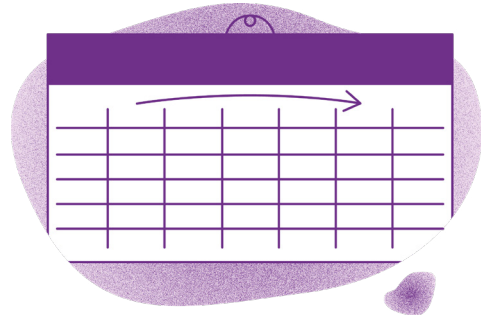


## Fixed-rate loan

As its name indicates, the rate is fixed throughout the entire term of the loan, **so you repay your loan with set monthly payments**. You therefore avoid any hidden surprises in the event of interest rate increases. In exchange for this security, the interest rate on this loan is generally slightly higher than that of the variable-rate loan.

## Extension

Did something unexpected come up? Please note that it is possible to **postpone one or several monthly payments** to make things easier, but this may incur extension fees.

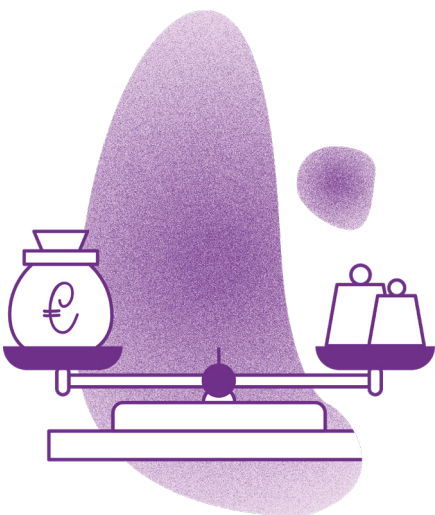


## Early repayment

Have you come into a large sum of money? You may also **repay your personal loan in advance** if you wish, but this may incur additional fees.

## Right of withdrawal

**Did you change your mind?** You have 14 days from signing the agreement to exercise your right of withdrawal by registered letter.



## Expenses/income ratio

This ratio allows the bank to **measure the client's debt load**, and therefore measure if the monthly expenses are too high compared to net monthly income (salary, pension, annuity, etc.). Generally speaking, this ratio should not exceed 35% (so expenses should therefore not exceed 1/3 of income).

This ratio is always assessed with the amount of "disposable income", which is the amount that remains available to the borrower each month once all expenses have been paid. Depending on the level of this disposable income, the 35% rule for the expenses/income ratio may be relaxed.