

BANQUE DE LUXEMBOURG



Conversation with... Pierre Ahlborn

Administrateur Délégué, Banque de Luxembourg Following a year of turbulence across the globe, Pierre Ahlborn, Administrateur Délégué, reflects on the challenges ahead and the key concerns for Banque de Luxembourg in the future.

It is just over a year since the COVID-I9 pandemic began. What did you learn from the events of 2020, and what challenges will Banque de Luxembourg face in the coming years?

Last year was reminiscent of the early years of our Bank, which was founded IOO years ago during the Spanish flu epidemic. The current pandemic has reminded us of the fragility of life and the need to be better prepared for the future. Is there any doubt that the biggest challenges facing our global community relate to social, climate and geostrategic issues, which of course include threats to biodiversity and public health? To respond to these challenges, it is vital that all stakeholders, including businesses, operate within a framework of corporate social and societal responsibility (CSR). Today, mindful of our responsibilities to our own stakeholders- our clients and employees, our mutualist shareholder and the local communities that offer us the framework for our development - we have redefined our roadmap, ensuring that sustainability and responsibility are strategically embedded in all our business activities and sectors.

How does this benefit clients?

To grow sustainably, we must add value for our clients. First and foremost, that means fully understanding the needs of different generations as we support them at every important stage of their lives. Increasingly, our clients expect us to consider sustainability and CSR criteria, in everything, from lending to wealth management.

In real terms, how can a bank, contribute to CSR goals?

As a responsible Bank, our mission has always been to protect and enhance our clients' tangible and intangible wealth. This is part of our DNA and is fundamental to our way of working.

"Our century_ old Bank has weathered many crises, thanks to solutions that ensure its resilience." Our wealth management approach has always been guided by cautious principles that prioritise high quality investments and expert risk control. We formalised our commitment by signing up to the United Nations Principles for Responsible Investment in 2017, and by overhauling our investment and advisory strategy to offer our clients responsible wealth management based on environmental, social and corporate governance (ESG) criteria.

In this connection, we are developing a range of sustainable and responsible investment solutions along the same lines as our socially responsible fund management mandate. These investment solutions are popular with our clients and their solid performance demonstrates the strength of our approach. We are focused on continuous improvement in this area.

Have you noticed a change in your clients' expectations since the start of the pandemic?

Since the outbreak of COVID-I9 and the subsequent market turbulence, we find that our clients are seeking more interaction. We are continually improving our communication channels in response, exploring new datadriven technologies while giving the highest priority to digital security. Our teams are committed to ensuring regular contact and enhanced availability for clients. Better integration of clients' expectations and needs, especially those of younger generations, is also fundamental to our role as a responsible Bank.

Given the disrupted circumstances, how were Banque de Luxembourg's financial results in 2020?

Fortunately, our Bank was able to manage the challenges of the health crisis, particularly through remote working, and deliver strong results. In terms of financial performance, and despite the unique circumstances, activity was strong in all our client areas – from private banking to businesses and professional banking. Our commercial success is a testament to the trust our clients place in us.

Parallel to this, we controlled our overheads by reducing our operating costs. Overall, our risk position did not deteriorate significantly and, even though the year was dominated by the crisis, we still achieved reasonable results.

How can a bank reconcile profit maximisation and the pursuit of CSR objectives?

Our overriding ambition is to create a virtuous circle that will sustain our growth. Central to everything we do are the exceptional people who make up our employee community. We make it a priority to consider their ongoing needs, from recruitment and onboarding to career development, through continuous learning and support at every stage of their lives. This caring mindset is fundamental to our corporate strategy, for if employees recognise themselves in our values and business plans, they demonstrate their loyalty through greater engagement, which ultimately benefits client relations. This helps to guarantee our commercial success, which in turn satisfies our shareholder. We have had the same shareholder for more

than IOO years: our founding shareholder, CIAL Strasbourg, was acquired by Crédit Mutuel Alliance Fédérale in 1998 when the French banks were privatised. Since then, Crédit Mutuel has become the first French bank to adopt the 'Entreprise à Mission' model (a CSR initiative created by French law in 2019) and has been voted 'France's most popular bank'.

How can the wider community benefit from the Bank's engagement and achievements?

'Community' can mean different things, extending from the Grand Duchy and Greater Region (home to most of our employees) to Europe (where our clients live) and beyond, to the entire planet. At the end of the day, these are all interlinked, as the pandemic has just reminded us. We interact with all these communities in many ways. The Bank plays a pivotal role in financing sustainable economic growth.





As an asset manager, custodian of our clients' assets and a credit provider, we are a key intermediary in the allocation of capital, a resource that is naturally scarce, but necessary for the financing of ecological transformation, for example. If we succeed in allocating our own funds and those entrusted to us by our clients in an efficient and responsible way, we can help to create a better world.

Are there other ways to contribute?

Definitely. Our contributions can take different forms. As highlighted by the pandemic, social solidarity relies above all on national budgets and the redistribution of income through taxes. We consider ourselves lucky to be in a sector that has been able to manage specific challenges inherent in the health crisis, notably through teleworking, while remaining profitable. Thus, by paying various types of taxes, we contribute to the common good. But our efforts are not limited to paying taxes - we go the extra mile through our support for charitable initiatives in the cultural sector and in social and humanitarian aid, for example. We are proud of our solidarity actions. This is what is known as a virtuous circle.

The pandemic has been a remarkable accelerator of progress. Is the Bank part of this transition?

First, in the very short term, we will focus on analysing the consequences of the pandemic. Specifically, we will continue to support our business and entrepreneur clients and help them overcome the challenges resulting from this complex time. The pandemic has unexpectedly accelerated many trends that already existed. Our economies are probably at the start of a tremendous transformation and a surge in productivity, the key to all wealth creation. We are also finding that digitalisation is still in its infancy; over time, it will revolutionise every aspect of the way we live and operate. This is an area in which we can help our clients to grow, through our investment loans business, for example. At our own level too, by recalibrating our investment programmes, we hope to improve both our level of service and our efficiency, while reducing energy consumption and use of consumables.



"As a responsible Bank, we aim to support the transition that is already under way and are committed to continuous improvement while fully shouldering our responsibilities."

What are your priorities for the coming years?

In a rapidly changing world, our priorities are clear: we aim to be a beacon of excellence in SRI and CSR*. As a company, we want to ensure that all our activities serve our stakeholders and bring them real added value while offering solutions for the challenges we all face.

Our planet is an ecosystem; everything is interconnected and no single person, company or government can tackle the major issues confronting all of humanity. Only collective action, the combined total of all our individual efforts, will enable us to turn threats into opportunities. We all share the capacity and responsibility for change. 5

* SRI : Socially Responsible Investing CSR: Corporate Social Responsibility



$\mathbf{F} \in \mathbf{504}$ m

CONSOLIDATED NET INCOME FROM BANKING OPERATIONS

23.71%

6

SOLVENCY RATIO

CONSOLIDATED NET PROFIT

124.3% LIQUIDITY COVERAGE RATIO (LCR)

BANQUE DE LUXEMBOURG - PORTRAIT 2021



Key figures for 2020



To respond to the diverse and unique expectations of our clients, we innovate continually to offer them solutions that are tailored to their needs.



Businesses & Entrepreneurs 9



Professional clients

Private clients

A personalised approach and constant dialogue

which an attentive ear to the needs of our clients, we support them in the preservation, management and transfer of their wealth and offer them tailored solutions for the specific situations they face, often across multiple legal jurisdictions.

Our conscientious and responsible approach is based on a **long-term perspective.** Its underlying strategy prioritises risk control and capital preservation seeking reliable performance over time. In a context of recurring crises, our investment methodology rests on simple principles applied consistently and rigorously.

Over and above the excellence of our asset management, our clients benefit from **comprehensive and personalised wealth management** with long-term support ensured by the stability of our teams. We provide our clients with **international expertise** and specific cross-border solutions, including family governance and asset structuring services.

We have incorporated **social and environmental responsibility criteria** into our financial criteria, offering tailor-made SRI portfolios that combine financial performance with positive impact.

"Supporting our clients in todaγ's complex world and offering them personalised solutions is the verγ essence of our banking profession."

Iuc Rodesch

Head of Private Banking



Private clients

Listening: the key to successfully passing on your wealth

We know that an estate is not just a sum total of assets or material goods. Just like families, every inheritance is unique, with its own particular questions. To help our clients find the right solutions, we take **time to listen**, get to know them and understand them. Our multi-disciplinary experts help them make the right decisions. We can also support our clients with their **charitable initiatives**. First, we assist them in defining their ambitions, the objectives of their project, and the resources they want to allocate to it. Then we work together to set up a structure to ensure the sustainability and management of their endowment.



- $\rightarrow\,$ Support in structuring and arranging the handover of your wealth and property
- ightarrow Advice on family governance and dynamics
- ightarrow Family office services

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ightarrow Support for philanthropic projects

A financing offer tailored for everγ need

We are one of the few wealth management specialists to offer our clients a comprehensive range of financing solutions, from traditional loans to specialised credits.

Whether for a private, professional or entrepreneurial project, **our specialists seek the solution best suited** to our clients' needs, depending on their situation and objectives. Our services range from Lombard loans to financing for a residential property and buy-to-let. We serve an international and varied client base, including entrepreneurs, independent professionals, SMEs, property and real-estate professionals, industrial companies and independent wealth managers.

Thanks to our solid balance sheet and our technical, financial and legal skills, we can **provide shortand medium-term financing solutions that meet everyone's specific situation.**



- $\rightarrow\,$ For businesses: all types of investment loans, overdraft facilities, leasing solutions, equipment loans, etc.
- ightarrow Issuance of all types of bank guarantees
- ightarrow Tailor-made financing solutions to meet specific objectives

Our financing offer

ightarrow Syndicated loans, business transfers, etc.



Private clients

Sound expertise in wealth management

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For clients who want to combine long-term performance with peace of mind, Banque de Luxembourg offers **a wide range of discretionary management services**. These enable our clients to delegate the management of their portfolio to our specialists and free themselves from the constraints of monitoring their investments day-by-day. Through **active management and a rigorous selection process**, discretionary management fosters long-term capital growth according to each client's profile for performance expectation and sensitivity to risk.

Our weatth management services

Our range of solutions encompasses Banque de Luxembourg investment funds, direct lines, socially responsible funds and external funds, combining the main asset classes, diversified in terms of geographical regions and economic sectors.

In addition to discretionary management, our Private Banking Investments experts assist clients with more specific requirements through bespoke advisory services and the development of alternative investment solutions such as private equity, or investments in flexible and diversified specialised investment funds.

ightarrow Discretionary management mandates ightarrow Investment advice and support



CONVENTUM TPS

Our Asset Management services

Through **BLI - Banque de Luxembourg**

Investments, Banque de Luxembourg's asset management company, we have been offering our clients expertise in investment fund management for over 25 years. This is channelled in three areas: equities, bonds and multi-asset strategies, with the aim of achieving defined financial objectives through diversified asset classes.

Our expertise is based on key principles: **active management**, a **long-term horizon** and a **selection of quality stocks at the right price**. By signing the United Nations *Principles for Responsible Investments* (PRI) in 2017, BLI - Banque de Luxembourg Investments formalised its commitment to analyse and incorporate environmental, social and governance criteria – in addition to financial criteria – in its stock-selection process. Our asset managers are based in Luxembourg and specialise exclusively in the search for quality investments around the world. We manage a range of more than 30 investment funds with assets of over \in 13.5 billion at 31 December 2020.

In addition, through **Conventum TPS**, our management company specialising in UCITS and alternative investment funds, we offer fund initiators who do not have a management company in Luxembourg a full range of fund creation, management and administration services. These services enable our clients to concentrate on their core activities of asset management, client service and business development.





We take a private banking approach to our profession

s a leading bank in the Luxembourg economy, we have developed a range of products and services specifically for family businesses, SMEs, and real-estate professionals.

Businesses need resources to grow and **our financing experts offer bespoke solutions** to support them in their development.

In addition to financing, we have **recognised expertise in succession planning**, both within the family and through other forms of continuity such as management buy-outs, mergers with other companies and takeovers by institutional investors.

We firmly believe that the transfer of a family business requires the support of both the current and rising generations. We have developed particular expertise in preparation for the transfer phases and the integration of the '**Next Gen'**. For the past IO years, we have offered two dedicated support programmes: **the Summer Academy** and the **Family Business Junior Executive Programme**.

Finally, as a responsible bank, we are committed to **supporting businesses in their CSR initiatives** by offering specific financing, encouraging philanthropy and engaging all parties, and raising awareness of CSR issues.

"We support our clients in their entrepreneurial and private projects, from day-to-day management, throughout their development, to ultimately passing on their assets."

Philippe Depoorter

Head of Businesses & Entrepreneurs

→ Financing solutions to support the development and promote the sustainability of the business, digitalisation and innovation, working capital requirement, external and internal growth and real estate projects, financial leasing and bank guarantees

ightarrow Bespoke investment solutions for the management of surplus cash

ightarrow Daily management of cash flows

Jur services

ightarrow Support in the various phases of the transfer

Professional clients

High value-added services

In a highly competitive and heavily regulated environment, we are a partner of choice for boutique fund management companies specialising in liquid and illiquid asset management, as well as for external asset managers and insurance companies.

Our clients are established and regulated, mainly in one European country. More specifically, as regards investment funds, we serve managers of UCITS, **Private Equity funds**, **Private Debt funds** (including microfinance and infrastructure) and **Real Estate funds**, with an increasing ESG bias.

Our clients have access to bespoke solutions to suit their needs, from the initial concept to the launch of their project. We offer high value-added services at a competitive price, delivered in-house or through open architecture with quality partners. Our expert multilingual and multicultural teams offer our clients a high degree of expertise and maximum operational efficiency, allowing them to focus on their core business: asset management, customer relations and distribution.

"We cultivate our position as niche plaγer and partner of choice."

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Fernand Reiners

Head of Professional Banking







A committed and responsible bank

Our dedication to creating value for our clients' wealth and for society is reflected in the way we conduct our business, with care and responsibility towards all our stakeholders. As a leading bank in Luxembourg for over IOO years, we are aware of our responsibilities and our role in society.

CSR, which is both a factor in sustainability and a tremendous opportunity for innovation, is firmly ingrained in our strategy, our ethos and our approach. Our mission is to contribute to sustainable development by combining financial performance with social, societal and environmental ambitions.

To achieve our objectives, an in-depth review of our CSR strategy for the next five years was undertaken in 2020 and has enabled us to define four priority themes of commitment:

"Our CSR strategy is at the heart of our ethos, uniting our stakeholders around a shared vision of having a positive impact on society and the future."

Georges Heinrich

Secrétaire Général, and CSR Committee Coordinator



To support the ecological, social and societal transition

As a committed economic player, we support our clients in a responsible approach to their investments, combining financial performance with social and environmental issues.

We offer a sustainable and responsible range of products and services, with discretionary management solutions, spreading investments across different ESG-friendly financial instruments, and the socially responsible BL Sustainable Horizon fund.

Our commitment to the local economic fabric is also reflected in our support for entrepreneurs established in the Grand Duchy, helping them to finance their projects and to manage, develop, and safeguard the wealth generated from their business. In keeping with our philanthropic tradition, we extend our activities to charitable partnerships and initiatives.



To forge long-term, caring relationships with our employees

We are a caring Bank and we are attentive in our relationships. Long-term relationships with our employees are one of the pillars of our CSR strategy, with the ambition of continually developing their skills, promoting diversity and equal opportunities, building loyalty in the younger generation, and ensuring the wellbeing of all.



To reduce our environmental footprint



1012



NATIONALITIES





WOMEN MEN 46% 54%



AVERAGE AGE





AVERAGE CAREER



Figures at 31/12/2020

HOURS OF

TRAINING

13 110

Like any business, our activity has an impact

on the environment. Conscious of our responsibility, we have been pursuing a policy of reducing our environmental footprint for the past ten years, with four objectives: reduce our emissions, reduce our energy consumption, manage our waste, materials and consumables, and evaluate our supplier processes.

To govern according to ethical principles and transparency

Banque de Luxembourg's reputation is based on good governance and a strong culture of compliance. We have established an efficient structure and implemented rigorous processes and controls to ensure strict compliance with the regulations in force. In our ongoing efforts to guarantee the sustainability of our activities, we have enshrined a series of principles in the following areas: to be transparent in our communication, promote diversification in our decision-making bodies, and ensure participatory governance.

*Based on figures for 2018 and 2019

By your side

Our multidisciplinary teams work with a committed and responsible Executive Committee to support our clients at all stages of life.

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Left to right **Pierre Ahlborn**, Administrateur Délégué, **Viviane Clauss**, Head of Business Development, Marketing and Communication, **Christophe Liebertz**, Head of Legal Department, **Georges Heinrich**, Secrétaire Général, **Anne-Lise Freson**, Head of Internal Audit

2 PRIVATE CLIENTS

Left to right **Nicolas Neve**, Head of Key Family Accounts Luxembourg, **Marc Schrauben**, Head of Planning and Project Management, **Damien Petit**, Sales Director, Private Banking Belgium, France and International, Head of Private Banking Investments and Private Banking Credits, **Luc Rodesch**, Member of the Executive Committee – Private Banking, **David Schmidt**, Director of Belgium Branch, **Danielle Goedert**, Sales Director, Private Banking Luxembourg and Germany







Left to right **Philippe Depoorter**, Member of the Executive Committee – Businesses & Entrepreneurs, **Anne Goedert**, Family Practice Adviser, **Pit Linster**, Business Adviser, **Charles Sunnen**, Business Adviser, **Maurice Gillen**, Project Manager

4 PROFESSIONAL CLIENTS

Left to right **Fernand Reiners**, Member of the Executive Committee – Professional Banking, **Nico Thill**, Head of Investment Fund Services, **Lucienne Andring**, Deputy Head of Business Development, **Vincent Willem**, Head of Depositary Control, **Jean Demuth**, Head of Independent Investor Services, **Florence Winfield**, Deputy Head of Investment Fund Services





(5) ORGANISATION AND OPERATIONS

Left to right **Fabien Heilbronn**, Head of Operations, **Régis Heil**, Head of Facility Management, **Stéphane Gérard**, Head of IT Production, **Romain Weiler**, Member of the Executive Committee – Organisation, IT, Finance and Operations, **Christian Haltern**, Head of Organisation, **Stéphane Bouvy**, Head of Finance, **Loïc Marziou**, Head of Digital Transformation, **Jean-Claude Maas**, Head of Robotics



BLI - BANQUE DE LUXEMBOURG INVESTMENTS

Left to right **Guy Wagner**, Managing Director, **Dieter Hein**, Head of Compliance, **Fanny Nosetti**, Head of Multi-Management, **Cédric Lenoble**, Chief Operating Officer, **Georges Engel**, Head of Risk Management and Oversight, **Michèle Biel**, Head of Conventum TPS





Left to right **Benoît Elvinger**, Member of the Executive Committee, Dealing Room and Loans & Credits, **Pascal Losch**, Loans Coordinator, **Franck Heinen**, Head of Treasury and Forex Desk







Left to right **Etienne Planchard**, Member of the Executive Committee – Chief Risk Officer, **Patrick Felten**, Head of Risk Management, **Sylvie Rémont**, Head of Compliance

9 HUMAN RESOURCES

Left to right **Anne Levy**, Talent Acquisition Manager, **Sylvie Michel**, Head of HR Advisory and Solutions, **Benjamin Fréteur**, HR Business Partner, **Florence Navarro**, Head of Total Reward and HR Services, **Nicole Dochen**, Member of the Executive Committee – Talents, Diversity and Collaborative Models

Key dates in the Bank's history





CIAL becomes a shareholder in Banque Mathieu Frères, acquiring 30.2 % of its

acquiring 30.2% of its capital, strengthening its foothold in the private banking sector.





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CIAL Luxembourg, the second pillar of Banque de Luxembourg, reopens its doors after the Second World War. 1978

969

Banque Mathieu Frères changes its name to Banque de Luxembourg.



1998

Throughout the nineties, the Bank develops its services for institutional clients.









BL FR&AM (Banque de Luxembourg Fund Research & Asset Management), the forerunner of BLI - Banque de Luxembourg Investments, the Bank's asset management companγ, is founded.

The Bank establishes its Private Banking Centres in Belgium.)C

BANQUE DE LUXEMBOURG BELGIUM

Banque de Luxembourg celebrates its centenary.

2020

BANQUE DE LUXEMBOURG - PORTRAIT 2021

Decision-making bodies

BOARD OF DIRECTORS

Chairman

Philippe Vidal, Directeur Général adjoint at CIC, Paris

Vice-Président

Daniel Baal, Directeur Général at Crédit Mutuel Alliance Fédérale, Strasbourg

Administrateur Délégué

Pierre Ahlborn, Luxembourg

Administrateurs

Jacques Delvaux, Lawyer, Luxembourg Carine Feipel, Lawyer, Luxembourg Philippe Hoss, Lawyer, Luxembourg

Georges M. Lentz Jr., Administrateur Délégué, Brasserie Nationale, Luxembourg

> Thomas K. Müller, CEO, CIC-Suisse

Philippe Neγrand, Directeur, CIC Grands Comptes, Paris

> Pit Reckinger, Lawyer, Luxembourg

Charles Ruggieri Président, Batipart Invest, Luxembourg

Benoît Elvinger, Secrétaire du Conseil d'Administration, Luxembourg

Présidents Honoraires Robert Reckinger, Luxembourg Jean Weber, Le Plan-de-la-Tour

Administrateurs Honoraires Dr Ekkehard Storck, Vice-Président honoraire, Berlin Camille Diederich, Luxembourg Paul Leesch, Luxembourg

EXECUTIVE COMMITTEE

Pierre Ahlborn, Administrateur Délégué

Philippe Depoorter, Businesses & Entrepreneurs

Nicole Dochen, Talents, Diversitγ and Collaborative Models

Benoît Elvinger, Dealing Room and Loans & Credits Etienne Planchard, Risk Management and Compliance

> Fernand Reiners, Professional Banking

Luc Rodesch, Private Banking

Romain Weiler, Organisation & IT, Finance & Operations

Georges Heinrich, Secrétaire Général

Our shareholder



Banque de Luxembourg is a wholly owned subsidiary of Crédit Mutuel Alliance Fédérale via Crédit Industriel et Commercial (CIC) which owns IOO% of the Bank's capital. Through its network and specialised subsidiaries in France and Europe, it offers an extensive range of wealth management advice and solutions for private banking clients, as well as asset management and depositary services for professional investors.

Its strength stems from a combination of factors: a cooperative and mutualist structure, a policy of diversification of products and services, and decentralisation of its networks.

Rated 'A' by Standard & Poor's, 'Aa3' by Moody's and 'AA-' by Fitch, Crédit Mutuel Alliance Fédérale remains one of the top rated banks in France and Europe.

Last year was the second year in the implementation of 'ensemble#nouveaumonde', the new strategic plan that sets Crédit Mutuel Alliance Fédérale's course and goals for 2019-2023. In the context of uncertainty due to the social and economic consequences of the health crisis, the Group has collectively decided to strengthen its focus on the three leading pillars of its strategic plan – client relations, commitment and technological innovation – and to add stability as a fourth pillar, in order to secure the underlying principles that deliver peace of mind and build trust among our clients and shareholding members.

In 2020, Crédit Mutuel Alliance Fédérale produced a net profit of \le 2 595 million. The quality and robustness of its assets resulted in equity capital of \le 49.6 billion and a solvency ratio of 17.8%.

Banque de Luxembourg is a key player in this network of specialised businesses, principally alongside CIC Banque Privée, Banque CIC (Suisse) and Banque Transatlantique.

Our branches



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