

BIL announces strong 2012 performance, highlights three-year growth strategy

- Assets under management rise 10.4% to €30 billion
- Client deposits soar 22.4%
- Loans increase 4.3%, including 7.8% growth in mortgage lending
- Overall return to positive profitability, with net income reaching €30 million (€78 million excluding non-recurring items)
- Strong A- long-term credit ratings affirmed by Fitch and S&P
- Strategic growth plan for 2015 supported by shareholders; includes expansion in Europe, Middle East and Southeast Asia
- Nearly 110 new staff hired; Management Board appointments announced

Luxembourg; April 26, 2013: Banque Internationale à Luxembourg (BIL), the oldest privately owned bank in Luxembourg, announced today its financial results for the 12 months ending December 31, 2012, demonstrating a strong performance across its retail, private and corporate banking activities, solid growth in its underlying assets, and an overall return to positive profitability.

This announcement follows the conclusion of the Annual General Meeting of BIL shareholders earlier today, and the approval by the assembly of the bank's balance sheet and profit-and-loss accounts for 2012.

With the full support of its shareholders – Precision Capital, a Luxembourg-based bank holding company, and the Grand Duchy of Luxembourg – BIL is now focused on realizing its 2015 growth ambitions.

Solid Growth

Last year, BIL witnessed especially significant growth in its assets under management, which stood at €30 billion as of December 31, 2012, an increase of 10.4% compared to the corresponding period in 2011. Nearly three-quarters of this rise is attributable to new net inflows, according to François Pauly, Chief Executive Officer, BIL.

Over the same period, client deposits soared 22.4%. Lending activity also increased significantly in 2012, reaching €9.6 billion, an increase of 4.3% compared to the previous year, with outstanding mortgage loans alone rising 7.8% to €3.2 billion.

BIL generated a positive net profit of €30 million in 2012, an especially dynamic performance compared to its after-tax results the previous year. According to Pauly, this return to profitability is primarily due to encouraging results from the bank's commercial activities, which compensated for non-recurring items, including the sale of the BIL's Portuguese holdings.

In 2012, core banking (Core New BIL) activities generated €78 million in pre-tax profit, in line with the bank's performance the previous year.

As of December 31, 2012, BIL had a core Tier-1 capital ratio of 14.39%, exceeding Basel II minimum capital requirements. Of significant note, the bank's A- long-term credit ratings have been affirmed by both Fitch Ratings and Standard & Poor's.

A Turning Point

As the bank celebrates its 156th year of operations, it has also reaffirmed its long-standing commitment to supporting the country's national economy, especially the SME and real estate sectors, according to the bank's CEO.

"In 2012, BIL reached an historic turning point: the rebirth and renewed independence of this healthy and solid bank," Pauly said. "Our commercial franchises have reported particularly strong and encouraging results. As a universal bank that plays a vital role in the Luxembourg market, financing the local economy is key to BIL's operations."

According to the Board of Directors of BIL, the bank has performed strongly in the first quarter of 2013 – exceeding earlier expectations, despite domestic and international macroeconomic conditions that remain challenging.

Geographic Expansion

This positive momentum will support the realization of BIL's strategic development plans for 2015. To date, the bank has launched a range of major projects that will position it to seize growth opportunities in Europe and internationally.

BIL is actively expanding and enhancing its geographic presence through a series of strategic actions across the globe and at home:

- In Belgium, pending regulatory approval, BIL will open a branch in the capital in the third quarter of this year. This new branch will primarily serve private clients resident in the country, while also serving independent financial advisers and family offices. The Brussels branch will be headed by Bernard Mommens, a member of the BIL Management Board.
- In the Middle East, BIL will pursue its international expansion strategy by opening its first branch in Dubai, which will become the bank's new hub in the high-growth Gulf region.
- In Southeast Asia, the bank will strengthen its Singapore presence, notably with an offering targeted specifically at High Net Worth Individuals.
- At home in Luxembourg, BIL is extending the business hours of its branch network in order to better meet the evolving needs of its customers in the Grand Duchy. In parallel, the bank continues to invest in new technology, including comprehensive mobile banking services (BILnet mobile), a constantly upgraded online banking offering, and an extensive ATM network that allows cash deposits to be made across the country.

Management Appointments

In addition to announcing its positive financial results today, the Board of Directors also announced two new appointments to its Management Board:

- Adrian Leuenberger, former Executive Board Member of Clariden Leu, Zurich (Head of Europe & Emerging Markets), has been named Head of International Private Banking at BIL. Leuenberger, who holds an MBA from Harvard Business School, is a Swiss national.
- Marcel Leyers, who has served at BIL since 1984, has been appointed Head of Corporate and Institutional Banking. A Luxembourg national, Leyers has spent most of his career in corporate banking.

Highlighting that BIL has recently hired nearly 110 new staff – including both experienced professionals and motivated young graduates – Pauly welcomed these new Management Board appointees.

“Adrian Leuenberger and Marcel Leyers are both talented, experienced individuals, who will reinforce the bank’s management team,” he said. “I am pleased to offer my congratulations on these deserved appointments, which will support the development of BIL’s private, corporate and institutional banking businesses both locally and across our strategic international target markets.”

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About Banque Internationale à Luxembourg (BIL):

Founded in 1856, Banque Internationale à Luxembourg (BIL) is the oldest private bank in the Grand Duchy. Since its founding, BIL has played an active role in the ongoing development of the Luxembourg economy. With retail, private and corporate banking operations, BIL is an active participant in local and international financial markets.

With over 2,100 employees, the bank is present in the financial centers of Luxembourg, Switzerland (since 1984), Singapore (since 1982), Denmark (since 2000) and in the Middle East (since 2005).

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