ANNUAL REPORT **2020**

THE LUXEMBOURG BANKERS' ASSOCIATION

Association des Banques et Banquiers, Luxembourg
The Luxembourg Bankers' Association
Luxemburger Bankenvereinigung

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01 Foreword from our Chairman

When I took on the role of Chair of the ABBL in 2018, I had a clear vision. In addition to the increasingly complex regulatory flow through which our mission is to help our members navigate, I identified three major challenges that were to mark my mandate: climate change and the role of banks for a transition to a sustainable economy, Brexit and the desire to maintain strong links with London, and the digital transformation of banks.

At the beginning of 2020, we had made good progress. We had just adhered to the UNEP FI Principles for responsible banking and were fully committed to a sustainable banking system, notably through our actions in favour of financial education. As for digital transformation, we had contributed towards a regulatory and security framework that protects both consumers and the financial system, and this framework would quickly demonstrate its solidity.

It is fair to say that the events of 2020 were truly unexpected. I firmly believe that the banking sector has played a vital role in the economy during this pandemic, and that we will continue to do so long after the virus is under control. Building on the excellent support provided by the government and by the regulator, we were able to contribute in two ways:

- Firstly, we were able to switch our staff to working from home almost immediately, whilst maintaining excellent customer service, and thus supporting efforts to contain the pandemic. And all this whilst keeping client data security topmost in our minds, and once again benefitting from an agile and understanding regulator, who enabled us to carry on in a more or less 'business as usual' mode.
- Secondly, we were able to come together to agree a concerted approach to supporting small and medium-sized businesses throughout the period of confinement, when many companies were experiencing a complete suspension of income streams. This we did with a series of measures, including moratoria, special 'covid' loans, with state-backed loans providing a safety net for local businesses affected by the COVID-19 pandemic. As a reminder, at the peak in July 2020, 3.7 billion euros worth of moratoria were approved, and in the period between March 2020 and February 2021, 450.8 million euros of loans were issued.

This is good news, but it is clearly just a temporary reprieve. As government support packages – from special leave payments, partial unemployment benefits to other subsidies - come to an end, businesses will be affected.

Figures recently released by the CSSF show a rather large drop in profitability for our industry, with significantly increased provisions, for obvious reasons. The bottom line is that somewhere between 20 and 25% of banks in Luxembourg are not profitable. We also understand that this is a systemic, rather than a cyclical issue - over the last 10 years we have invested increasing amounts of money and resources just to keep up with the regulatory framework. Coupled with the persistent low interest rate environment and the pressure on margins, we can expect some further rationalization in the sector in the next year or two.

In 2020 we have spent a lot of time on transforming the ABBL. In order to remain relevant to our members, we felt that it was vital

OVER THE NEXT TWELVE MONTHS, WE WILL FOCUS OUR EFFORTS ON SUPPORTING A RETURN TO A HEALTHY AND PROFITABLE ECONOMY FOR ALL

01 Foreword from our Chairman

that we review or mission and priorities, and above all re-focus our resources and efforts on topics that are important to the future success of our sector. We have streamlined our clusters, reviewed our technical committees and thoroughly audited our working groups to ensure that we are active in the right areas.

So, if 2020 was a year dominated by the health pandemic, we nevertheless remain optimistic for the future. First of all, we will have a robust legal and regulatory framework in place for how we work in the post-covid period, where the ABBL has lobbied successfully to retain as much flexibility for the employer as possible. We know that there are plenty of people who desperately want to get back to the office, just as there are those who have re-discovered a better work/life balance through being able to work from home.

Other regulatory developments will continue to keep us busy in 2021. Key areas remain: financial markets, with MiFID and AIFMD reviews on the EU agenda, and further focus on the creation of a Capital Markets Union; banking regulation, with particular attention on moves towards the completion of the Banking Union, and all that entails for Luxembourg; the upcoming visit of the Financial Action Task Force, and of course taxation, ranging from the taxation of financial services and the treatment of digital services, to further pressure for tax transparency driven by the DAC legislation.

The pandemic has forced accelerated digitalisation, from increased customer adoption of digital tools to the ability of banks to handle certain operations remotely. This is good for the sector and will force us to step up and fight to retain our customers and our territory against new players. The digital action plan of the EU has a strong focus on ensuring a level playing field, which is positive news. It is clear that more regulation will follow, so we need to be able to exert our influence and to be prepared for future changes.

Increased online activity means increased risk of cyber-attacks, and we continue to focus on this topic, participating in various groups and committees to ensure that we are informed of latest developments, and that we can share that knowledge with members. We also work closely with the government on domestic initiatives like Cybersecurity Week, linked the European Cybersecurity Month campaigns.

Another opportunity is the transition to a more sustainable economy. The EU Action Plan on Financing Sustainable Growth, together with the EU Green Deal, introduce multiple measures to bridge the financing gap to achieve climate and sustainability targets and maintain the competitiveness of Europe, and ultimately build a more sustainable, inclusive and fair economy.

While the ABBL already initiated its own work plan a few years ago, in parallel with the work initiated at the EU level and as part of its internal transformation project, a dedicated Sustainability Committee as well as working groups have been created to engage in a strategic dialogue with our members, to closely monitor sustainable finance developments and bring them forward in the banking sector.

In light of the EU sustainable finance agenda and the growing expectations from many stakeholders we have defined three

Regulatory developments will continue to preoccupy us in 2021

01 Foreword from our Chairman

OUR COLLECTIVE AMBITION, FOR AND ON BEHALF OF OUR MEMBERS, IS TO PROMOTE THE SUSTAINABLE DEVELOPMENT OF REGULATED, INNOVATIVE AND RESPONSIBLE BANKING SERVICES IN LUXEMBOURG

pillars to implement our sustainable finance strategy: firstly, the active support of financial education and training initiatives with a specific focus on sustainable finance, secondly, the promotion of corporate social responsibility and thirdly, the monitoring of key regulatory developments and the development of sustainable finance toolkits.

Financial education is a key priority of the ABBL, and one where we are particularly active. We actively promote applied research in the fields of economy and finance through a reinforced dialogue with the University of Luxembourg, and have developed a range of training and educational tools together with the CSSF, the House of Training and the Chamber of Commerce, as well as the Ministry of Education and our local schools and colleges. The ABBL constantly seeks out collaboration with other representatives in the sector, and these joint efforts are just another example of the public-private partnership approach that is a proven recipe for success in Luxembourg, and an approach that demonstrates that by working together we are stronger.

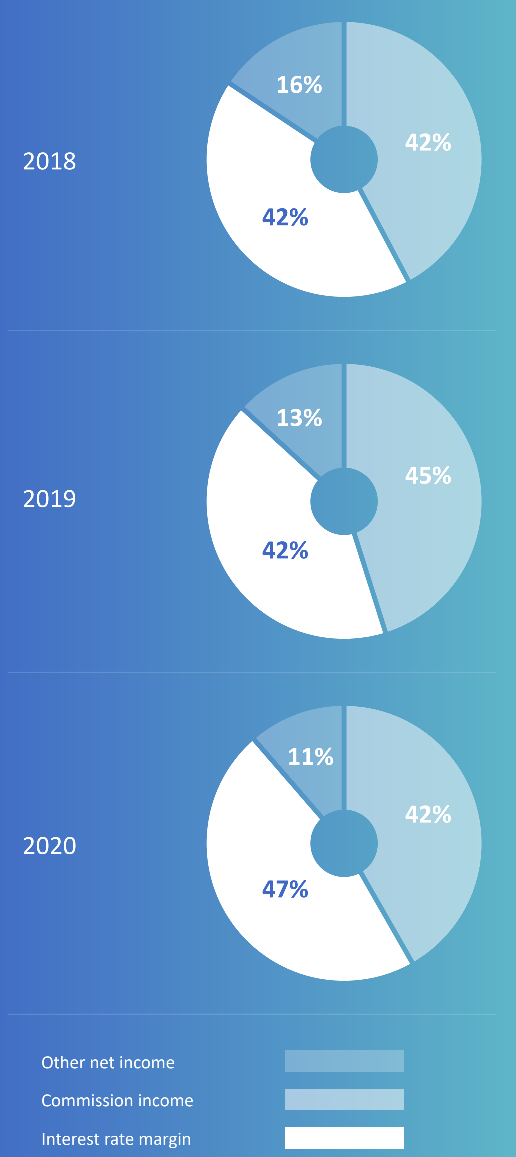
We recently signed the UN Women's Empowerment Principles. These principles are the first vehicle to concretely implement gender equality and women's empowerment in the workplace. At the ABBL, we believe that gender equality in the workplace is in the best interests of our members, not only because it's fair and ethically correct, but also because it serves business. As one of the first signatories of the Women's Empowerment Principles in Luxembourg, we wish to set an example and work with our members to develop best practices in favour of gender equality, especially at C-suite level.

Over the next twelve months, we will focus our efforts on supporting a return to a healthy and profitable economy for all. Banks were part of the solution, and we will continue to work hard to preserve Luxembourg's reputation and help our members ensure their leadership role in the recovery.

02 The banking sector in numbers

Banking Sector

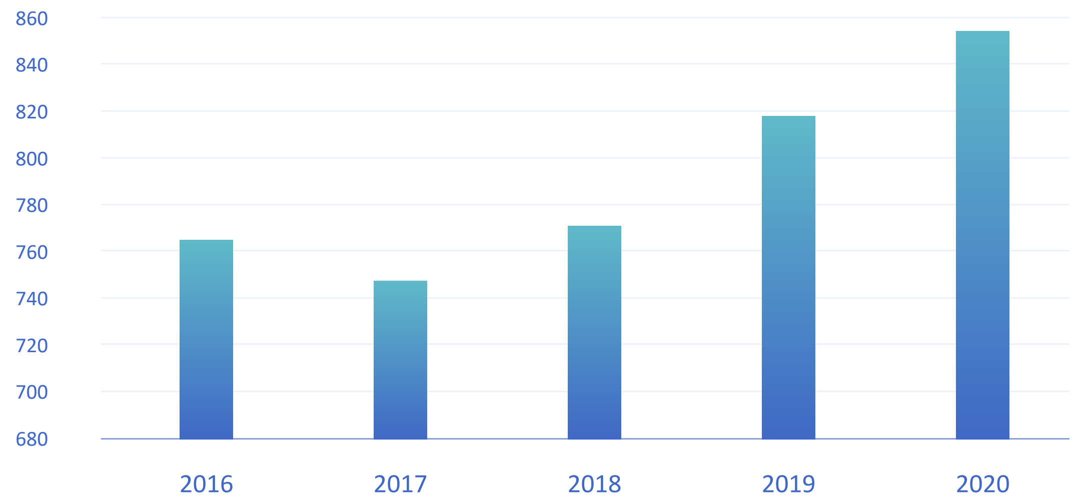
Sources of banking income *(source CSSF)*



Banks in Luxembourg by country of origin *(source CSSF)*

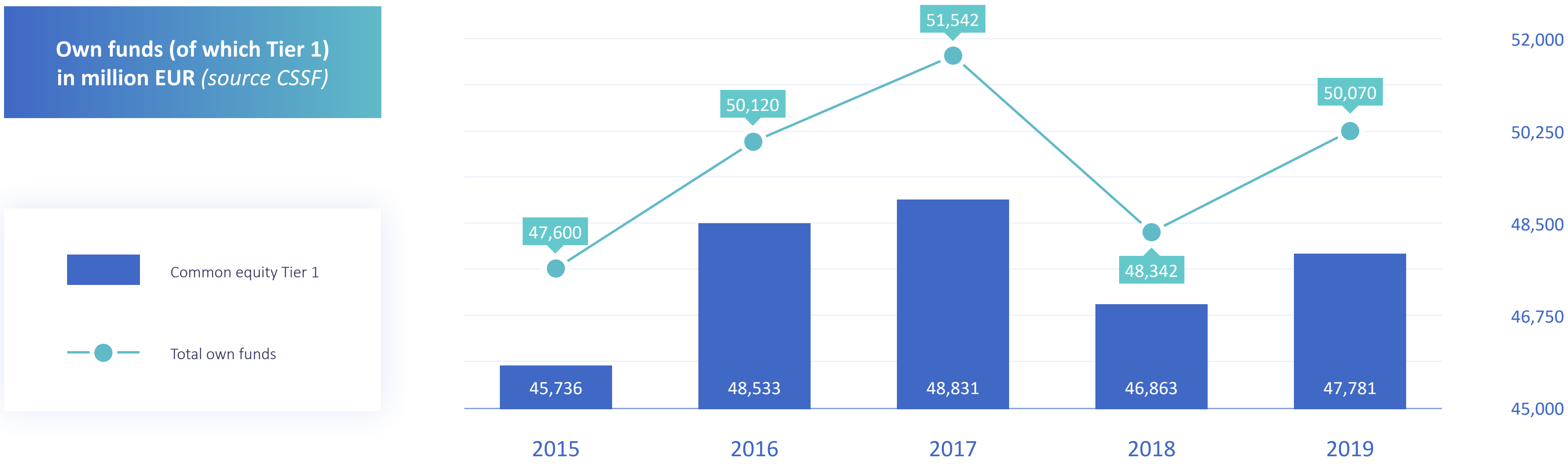
	12/2018	12/2019	12/2020
Luxembourg	7	8	8
Europe	81	72	72
Rest of the World	47	47	48
TOTAL	138	127	128

Development of banks' balance sheet - bn EUR *(source BCL)*

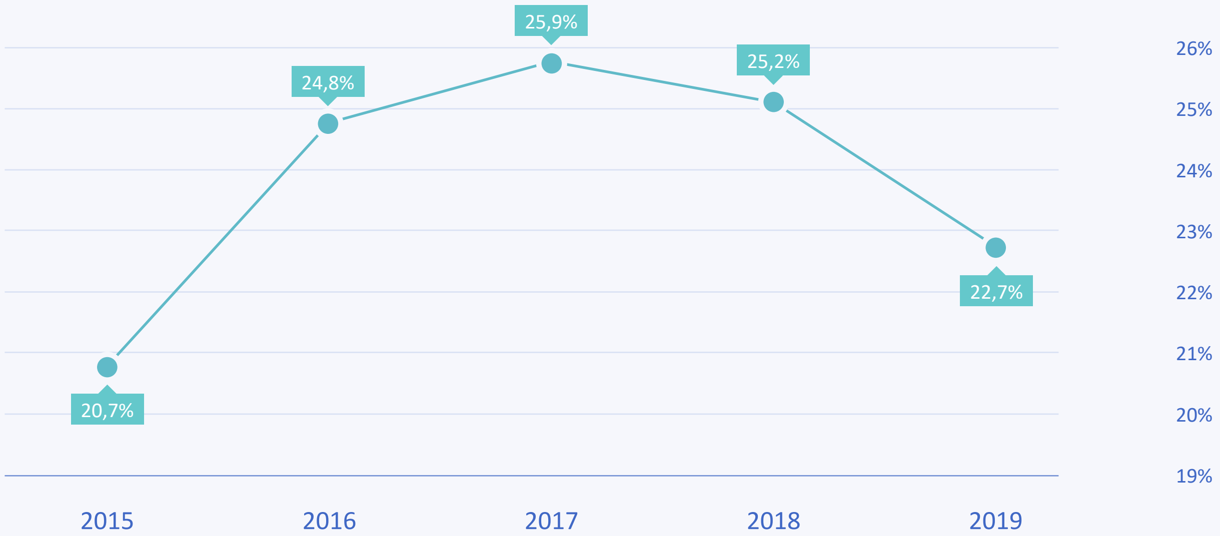


Banking Sector

Own funds (of which Tier 1) in million EUR *(source CSSF)*

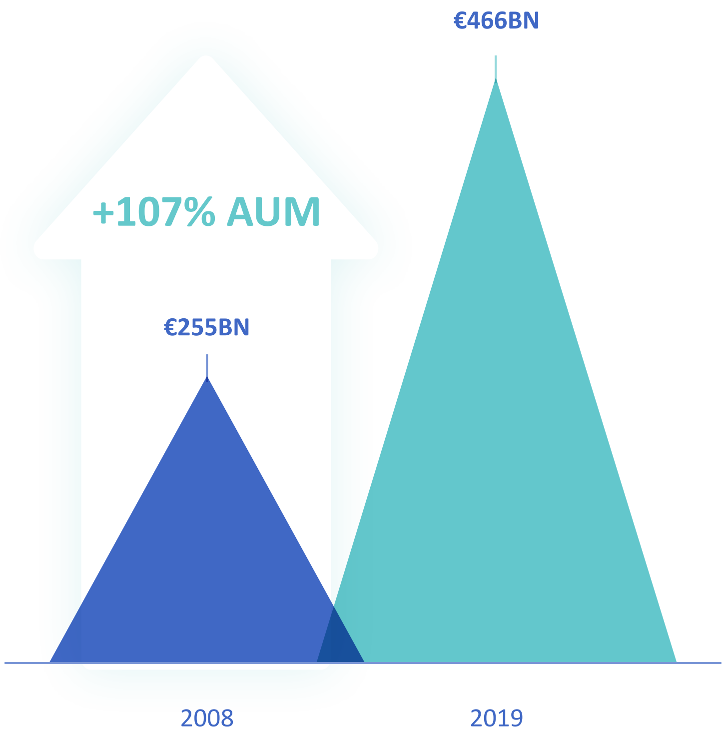


Solvency ratio *(source CSSF)*

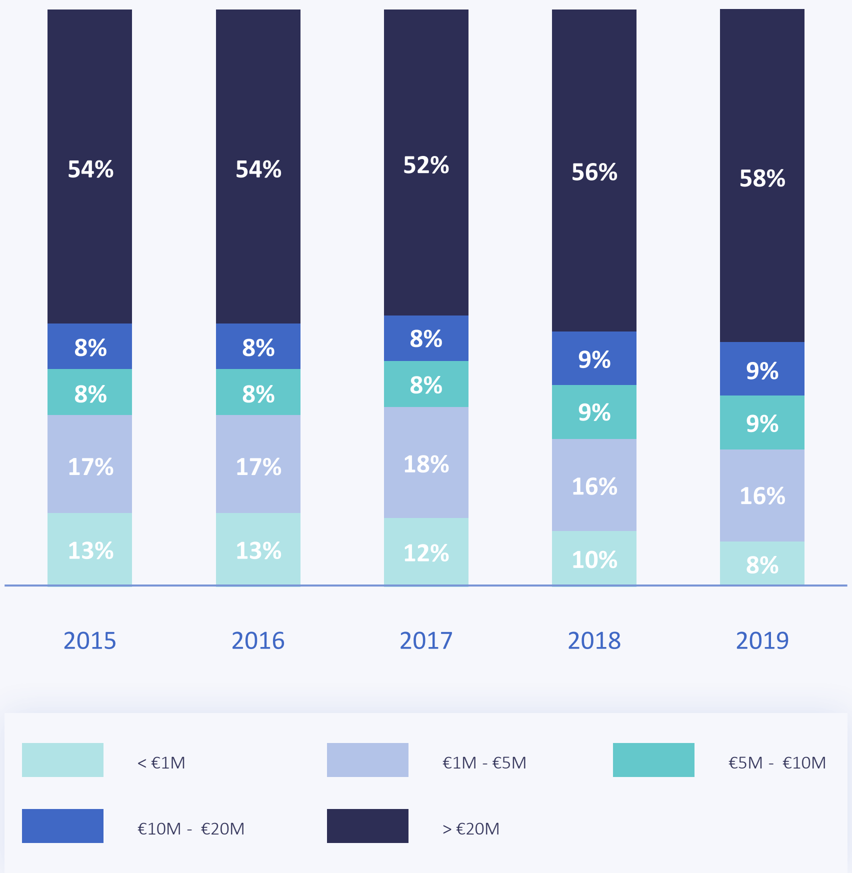


Private Banking

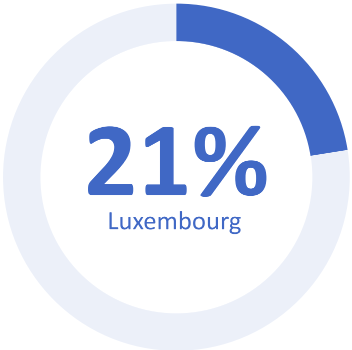
Private banking – Assets under management
(source ABBL/CSSF 2020 annual survey)

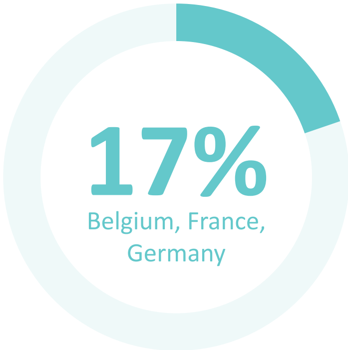


Private banking - Client segments by wealth bands - %
(source ABBL/CSSF 2020 annual survey)

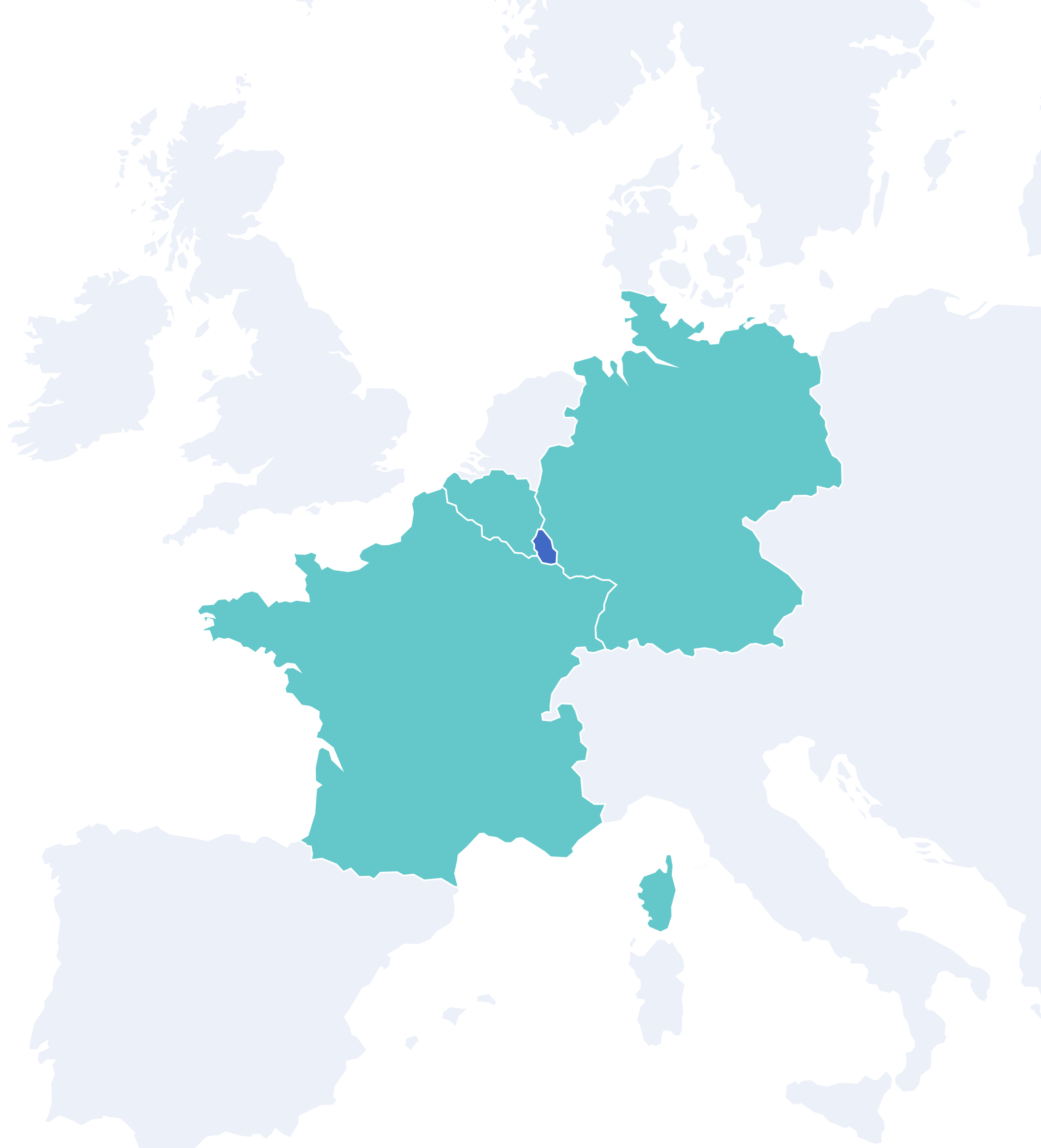


Private banking - Geographic origin of client assets
(source ABBL/CSSF 2020 annual survey)



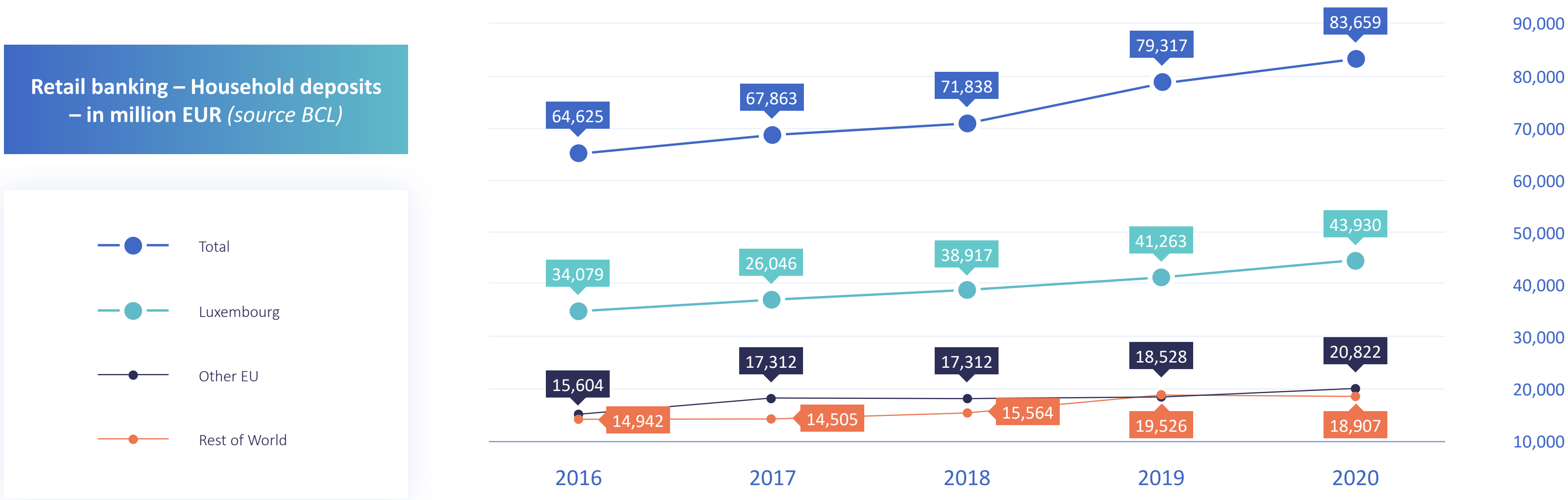


ORIGIN	2019
Luxembourg	21%
Belgium, France, Germany	17%
Rest of Europe	47%
Rest of the world	10%
Multi-juridisctional assets	5%

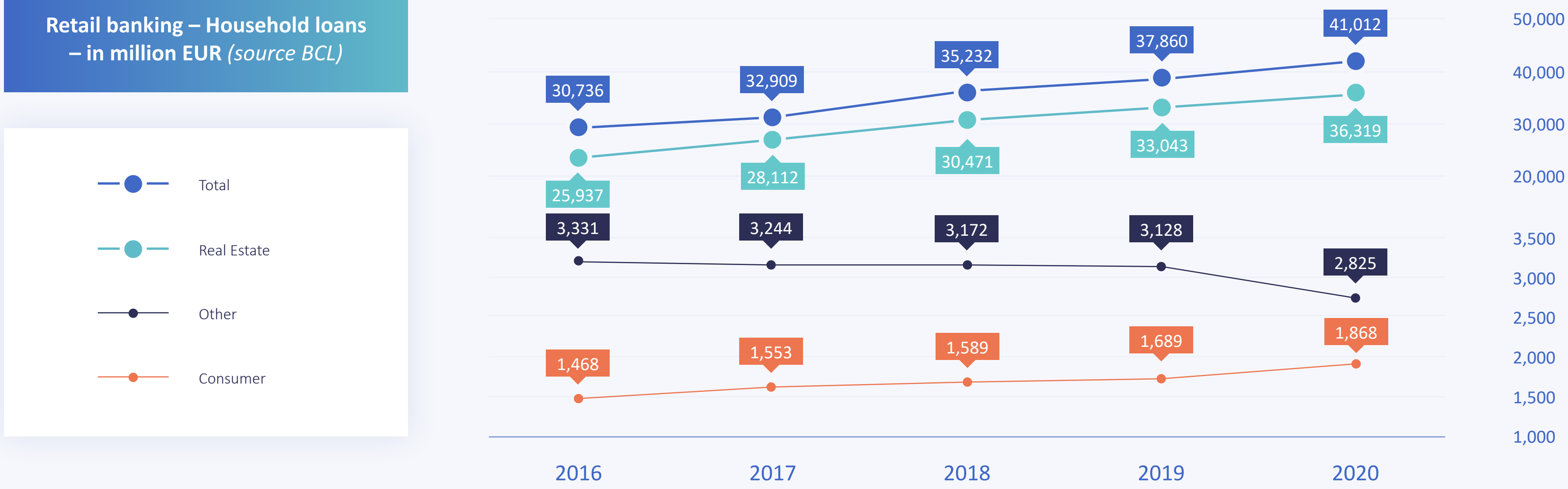


Retail Banking

Retail banking – Household deposits – in million EUR *(source BCL)*



Retail banking – Household loans – in million EUR *(source BCL)*



Employment

Total employment by gender
(source CSSF)

Total employment by education
(source CSSF)

03 The priorities of the ABBL

The ABBL is an industry association with a long history of promoting, defending and defining the banking sector in Luxembourg. Founded in 1939, over 80 years later we constantly strive to remain relevant for our members, giving them a common voice, providing a platform for the exchange of ideas, and keeping them informed of industry trends and regulatory developments. In 2019/20 we revisited our mission and priorities, resetting our focus on matters that are crucial for the sector.

Our mission is to promote, for and on behalf of our members, the sustainable development of regulated, innovative and responsible banking services.

1. Shaping and representing the voice of our industry
2. Fostering collaboration with and amongst our members
3. Providing industry and regulatory expertise
4. Offering research, thought leadership and financial education
5. Collaborating with other economic actors and relevant authorities
6. Representing members for the purpose of collective employment relations

1 SHAPING AND REPRESENTING THE VOICE OF OUR INDUSTRY

We give our industry one voice and ensure that this voice is heard at every level, whilst shaping the narrative and maintaining a coherent message.

In practice, this means that we closely follow developments on key topics relevant to the financial sector, and work with our members to define common positions, ensuring that our efforts are always focused on what will have the most impact for shaping the industry.

We are organised around four main pillars: Innovation, Digital Banking & Payments, Member Relations, Regulatory Affairs and Sustainability & Conduct.

Innovation, Digital Banking & Payments

One of the main strategic pillars of ABBL is the digital transformation of banking. The scope of our work is broad, as ABBL members represent financial institutions of many different sizes, types and business models. We are also driven by external forces: digitalisation of the economy is a priority of the Luxembourg Ministry of Finance, and also of the European Commission. The EU published its Digital Finance Package in 2020, focusing on regulatory developments to optimise the EU single market for digital finance. There are also discussions at the EU level on the Digital Euro, and the implementation of PSD2 has opened the payments market to new players and thus increasing competition.

Advisers at the ABBL monitor key topics and share knowledge around innovation and technologies destined to revolutionise the sector, such as instant payments, artificial intelligence, blockchain technology, open banking, big data and crypto assets.

We also play a key role in connecting the Luxembourg financial ecosystem: financial institutions, payment service providers, e-money institutions, FinTechs, IT providers, consultants, law firms and academia as well as the regulatory and public authorities, all come together in our various groups to exchange ideas and share their views.

The digitalisation of distribution models and internal processes is high on the agenda for banks, as online banking services and online payments are increasingly used by customers and working from home is now a reality for many employees. In this context, cybersecurity is even more of a priority, to protect against cyberattacks and preserve consumer confidence.

The ABBL closely monitors legislative proposals at European level concerning digitalisation and its impact on the financial sector and works on position papers with regard to legislative proposals with a short and long-term impact on digital finance and banking, such as Digital Operational Resilience (DORA), Markets in Crypto Assets (MiCA) and Distributed Ledger Technology (DLT) in financial services.

Member Relations

Representing such a wide range of members, and being active in many different areas, it is important to be able to relay information to the right people, to ensure that members active in a particular business are aware of developments specific to their area, and that our actions are aligned across the various groupings within the association. The Member Relations unit provides this interface, ensuring that our efforts are always focused on the issues with the most impact on the sector, today and in the future. It brings together the ABBL Banking Clusters, which represent the main businesses of the Luxembourg financial sector: retail banking, private banking, corporate & commercial banking and depositary banking.

The Member Relations team is the first point of contact for members, onboarding new members, and cultivating relationships with existing members. This is also the team that takes care of our conferences and expert events, bringing topical subjects to the attention of members and facilitating opportunities for a valuable exchange of information.

1 SHAPING AND REPRESENTING THE VOICE OF OUR INDUSTRY

OUR TECHNICAL COMMITTEES STUDY REGULATIONS IN DEPTH, FORMULATE COMMON POSITIONS AND SUPPORT MEMBERS IN THE IMPLEMENTATION OF NEW RULES

Regulatory Affairs

With increasingly complex and constantly evolving regulations, it is vital that banks and financial institutions understand the implications of these changes before they happen, and that they have a strong voice to represent their interests. ABBL advisers closely monitor changes in regulations and directives, articulating a balanced position, based on the views of all our members, towards legislators and regulators as they are created.

The Regulatory Affairs unit is working on banking regulations, financial markets regulations, taxation and banking and financial law. The team closely monitors relevant legislative materials as they are created with the aim of articulating a balanced, measured view towards lawmakers and regulators alike. The team coordinates the work of the following ABBL technical committees:

- Accounting Committee
- Banking Supervision Committee
- Financial Markets and Intermediation Committee
- Fiscal Affairs Committee
- Legal Affairs Committee
- Securities Committee.

These groups gather excellent subject matter experts to collate and present position papers, to develop implementation guidelines and to support our members with advice and best practices in an ever more complex environment. They have been reviewed both in their setting and composition in late 2020 to ensure full alignment with the current regulatory agenda and members' priorities. It is in these groups that views are collected for consultations at European and national level, where position papers are written, and where technical topics are analysed.

The Law Firms Forum, which gathers the representatives of member law firms, complements the technical input provided by the aforementioned groups by dealing with legislative and regulatory subjects from a strategic and forward-looking perspective with a view to formulate legislative proposals aimed at ensuring the effectiveness and competitiveness of Luxembourg business law.

In 2020, besides the coordination of bank loan relief measures in Luxembourg, the team actively participated to European-wide discussions leading to the adoption of various regulatory reliefs and alleviations in the context of the current pandemic. The team also actively monitored the regulatory impacts of Brexit and participated to the elaboration of short-term and long-term proposals aimed at mitigating the impact of homeworking by employees residing in neighboring countries under relevant double tax treaties.

In 2021, we anticipate, besides Basel IV implementation and ongoing reviews of EU legislation (notably as regards MiFID, AIFMD, VAT on financial services and the Consumer Credit Directive), a stronger focus on longer term measures aimed at fostering economic recovery and consolidating the Economic and Monetary Union. These include the anticipated release of concrete legislative proposals towards a Capital Markets Union, further work towards the completion of the Banking Union, as well as additional evolutions of the EU tax framework. At national level, we anticipate further work on inactive accounts, consumer protection and possibly some initiatives on insolvency proceedings, as a result of the current economic context.

1 SHAPING AND REPRESENTING THE VOICE OF OUR INDUSTRY

Sustainability & Conduct

The Sustainability & Conduct pillar works on subjects relating to compliance with standards, specifically in the field of sustainable finance, anti-money laundering, data protection and deontology. It monitors social affairs issues in order to accompany HR departments in the abundance of new regulatory issues in the field of labour law. Finally, it develops numerous actions in the fields of financial education and Corporate Social Responsibility.

The Sustainability Committee aims to engaging strategic dialogue with its Members and closely monitor sustainable finance developments. It also serves as a knowledge sharing platform and ensure adequate coverage and communication about the main topics for Luxembourg Banking sector, including corporate social responsibility and financial education areas.

During 2020, particular focus was devoted to European public consultations on the EU Strategy on Sustainable Finance and major EU legislative measures proposals. In particular, the ABBL initiated a collaborative work together with Stibbe, ACA and ALFI to elaborate a structured guide on the Sustainable Finance Disclosure Regulation (SFDR). This guide is planned to be released in 2021 and aims to provide professionals of the Luxembourg financial sector with a comprehensive tool to support their implementation of the new SFDR requirements.

On the corporate social responsibility front, the ABBL together with a poll of its members has been developing a methodological guide to enable the Luxembourg banking sector to build a responsible corporate strategy in conjunction with standards and market best practice. The guide will be available early 2021.

The ABBL has also pursued its efforts to address the need for incorporating sustainability into education and training programmes by complementing its foundation course on sustainable finance with three additional advanced modules covering (1) the operational, (2) the products and (3) the regulatory aspects. Each training module will be certified.

The Professional Obligations Committee handles topics related to the prevention of the use of the financial system for the purposes of money laundering or terrorist financing. The international nature of the Luxembourg banking sector means that products, services and activities offered by financial institutions are inherently cross-border in character, demanding a high level of vigilance in the area of combatting abuse.

The Committee has several Working Groups dealing with specific topics, and provides information to the Compliance Forum and the Data Protection Forum.

In 2020, the ABBL actively prepared the venue of the FATF delegates scheduled for 2021 closely collaborating with the Ministry of Justice, the Ministry of Finance and the CSSF, by providing them with all the necessary information and documentation related to the FATF efficiency questionnaire (“Immediate Outcome N°4”). The ABBL notably handed a thorough file demonstrating how the ABBL contributed over the past two years to fostering and developing the AML/CFT awareness and compliance of its members.

Thanks to the ABBL membership in the CSSF AML/CFT committee, it was possible to make concrete suggestions to the CSSF in the drafting of its much-awaited update of the core AML/CFT CSSF Regulation 12-02, as well as the Grand-ducal Regulation of 14 August 2020 providing certain details on the AML/CFT Law of 12

November 2004. Since the Law of 25 March 2020 introduced the establishment of a central electronic data retrieval system related to IBAN accounts and safe deposit boxes, the ABBL could together with the CSSF enter into active discussions and set-up a dedicated working group aimed at sharing technical issues encountered to best implement the system.

As regards data protection and personal data transfers to the USA, 2020 saw the Court of Justice of the European Union invalidate Decision 2016/1250 on the adequacy of the protection provided by the EU-US Privacy Shield in a judgment dated 16 July 2020, leading to legal uncertainty surrounding data transfers to third countries. In this regard, the ABBL closely contributes to the EBF data protection privacy working group outputs vis à vis the European Commission update of its standard contractual clauses as well as the draft European Data Protection Board guidance pertaining thereto. 2021 will also enable the EDPB and the European Commission to address together the frictions between the AML/CFT legal framework and the GDPR.

Looking ahead to 2021, the ABBL will pursue its commitment to assist its members and the public authorities in preparing for the FATF mutual assessment of Luxembourg and the visit of its inspectors during a potential on-site visit foreseen in 2021.

The ABBL will continue to work on both Luxembourg and EU AML/CFT regulatory matters including the European Commission upcoming legislative proposal to reinforce the EU AML/CFT single rule book through a EU Regulation aiming at harmonising KYC rules, the risk-based approach and fostering information sharing. The European Commission should also propose the creation of a supra national EU AML/CFT authority, which should not supersede the prerogatives conferred to the CSSF.

The Professional Obligations Committee sees the increased pace of AML/CFT rules stemming from the European Commission as particular challenges for the sector, and will continue to work towards practical outcomes for its members.

The European Commission’s action plan for financing sustainable growth is now a reality, and with it the arrival of many European initiatives in the area of sustainable finance. These initiatives call for our contribution as a financial centre.

As sustainable finance has become strategic for the banking industry, we have recruited a dedicated Sustainable Finance Adviser in the person of Julien FROUMOUTH, dedicated to address current and future developments in this key area.

Concerning actions conducted in the fields of corporate social responsibility, financial education as well as diversity, please refer to the ABBL CSR biannual report 2019-2020.

Spotlight

The ABBL and the Covid Pandemic

As a result of extraordinary challenges resulting from the COVID-19 pandemic, significant efforts were dedicated in 2020 to secure flexibility and facilities aimed at enabling the banking sector to focus on core activities, to maximise lending capacity and to maintain operating efficiency during the various lockdowns. These efforts were complemented by the coordination of several bank loan relief measures to support local businesses affected by the pandemic.

Moratorium on existing bank loans

Under the coordination of the ABBL, six Luxembourg banks have established a non-legislative, sector-wide moratorium on existing loans to businesses. This moratorium complies with the EBA Guidelines 2020/02. The moratorium consists in postponing, for existing transactions as at 18 March 2020, the repayment of the principal and interest of a loan or of the payments of a lease contract for a period not exceeding 6 months. The objective is to mitigate the short-term effects of financial difficulties, which result directly from the containment measures taken after the COVID-19 pandemic. The sector-wide moratorium is closed since 30 September 2020. Luxembourg banks continue to support their customers on an individual basis.

The total volume of moratoria (i.e. sector-wide + individual moratoria) has reached in May 2020 a peak of EUR 3,7 billion granted to 18.000 customers. The volume was reduced to EUR 446 million, granted to 1.613 customers as at 31 December 2020.

New bank loans

Under the coordination of the ABBL, seven Luxembourg banks have cooperated closely with the Ministry of Finance to set up the State-backed guarantee facility for new bank loans to SMEs and large corporates affected by the COVID-19 pandemic, up to a maximum of 6 years. The State guarantee covers 85% of the amount of capital, interest and accessories. The maximum commitment of the Luxembourg State is EUR 2.5 billion. The deadline for granting such loans was extended to 30 June 2021 following the amendment of the State Aid Framework decided by the European Commission.

The total volume of State-backed loans outstanding as at 31 December 2020 amounts to EUR 181 million, representing an approval rate of 84% of loan requests. While the demand for such loans remains moderate due to the numerous direct aids granted by the Luxembourg State, it is likely to increase in the coming months once the moratoria come to an end and new funding requirements arise in the context of the economic recovery. Besides State-backed loans, banks have granted additional loans to their customers affected by the COVID-19 pandemic: the outstanding volume of such was EUR 263 million as at 31 December 2020.

Health and safety at work

Concerning the pandemic situation as from March 2020, the ABBL issued recommendations on health issues related to COVID-19 symptoms and best practices to be followed for health and safety as well as guidelines to its members on how to ease containment measures and progressively return to normal business safety. In that respect, the ABBL produced a video on gradual return to work and encouraged its members to conduct an assessment of their premises by the ASTF confirming that it implemented all safety measures for employees in the workspace in compliance with COVID-19 prevention recommendations.

The ABBL will continue monitoring the situation, in particular as regards vaccination.

Spotlight

The ABBL and the Covid Pandemic

Working from home

The ABBL participated in the elaboration of short-term and long-term proposals aimed at mitigating the impact of homeworking by employees residing in neighbouring countries under relevant double tax treaties. These efforts materialized in the conclusion of protocols between competent authorities providing for a much welcome, albeit temporary, carve-out of days spent in homeworking under relevant treaty provisions.

Moreover, the ABBL participated in the negotiations at ESC level on the new Agreement on homeworking signed by the social partners on 20 October 2020. The new agreement is less formalistic than the previous one, more readable and the scope has been adapted covering both regular and occasional homeworking. It has been declared to be a general obligation, but will fully apply after the pandemic situation.

Regulatory reliefs

The ABBL has actively participated in the European-wide discussions leading to the adoption of the following measures:

- Temporary capital and operational reliefs provided by the ECB;
- A CRR quick fix to facilitate bank lending in response to COVID-19;
- A Capital Markets Recovery Package containing sensible alleviations under MiFID and the EU Prospectus Regulation as well as adaptations to the EU STS regulation;
- The postponement of various reporting deadlines under CRS, DAC 6 and FATCA.

Spotlight

European Affairs in pandemic times

European Affairs and working with the EU institutions is part knowing your script and part relationship building. With a pandemic the latter needed adapting and new working methods like the rest of the economy. This has been achieved successfully under the circumstances.

But COVID-19 kept the ABBL also busy on the legislative side. From the banking quick fix (CRR) to the financial markets recovery package passing by contributions to the EBF participation in the European Commission roundtable and ultimately best practices on moratoria and lending, the pandemic has put its mark on the year 2020. Not to mention that one of the major banking files – the finalization of the Basel transposition – has been postponed to 2021.

But the EU institutions also continued churning out planned initiatives. The ABBL has invested time and effort in working on the shaping of the EU's second attempt to bolster its capital markets, the so-called CMU 2.0 action plan, as well as into the preparatory work of the AIFMD review and in particular the depositary aspects, as well as for the MiFID review. In the same vein the association continued working on the sustainable finance initiatives.

On the AML side the ABBL has continued feeding into decision makers their thoughts on the up-coming AML package (Q1 2021).

With three legislative proposals on digital operational resilience, markets in crypto assets and DLT in financial services, digital aspects have been more than ever part of the messaging towards decision makers.

Last but not least, the Brexit saga has been high on the agenda, following closely developments and advocating directly as well as through the EBF for necessary elements in the future agreement respectively regarding equivalence decisions or other aspects (AML, data protection, …).

On the monitoring side, the ABBL European Affairs team produces a weekly contribution to the ABBL spotlight and updates the ABBL EU legislative agenda on a monthly basis while covering all relevant Council and European Parliament meetings.

As ongoing work the European Affairs department has been ever since 2008 updating its entry into the European Transparency register insuring standards transparency in its lobbying activities.

Looking towards 2021, the agenda is packed despite no respite from the pandemic: the Basel transposition, a renewed push on finalizing the banking union and the CMU, the three digital finance initiatives, the AML package, the MiFID and AIFMD reviews, VAT in financial services and following Brexit related issues (e.g. equivalences, data protection, AML) are just a few teasers. As always all these can be as well risks as opportunities for the Luxembourg banking center.

2 FOSTERING COLLABORATION WITH AND AMONGST OUR MEMBERS

We serve as a forum for discussion, debate and the exchange of knowledge on issues and projects that are common to our members.

Diversity is one of the ABBL's riches, and we strive to cultivate it. We count among our members more than 150 organisations: banks, PSF and auxiliary service providers, which together constitute a fair reflection of the financial centre in its diversity.

Corporate Finance ABBL Cluster

Depositary Banking ABBL Cluster

Payments ABBL Cluster

Private Banking ABBL Cluster

Retail Banking ABBL Cluster

Business Clusters

To defend such varied interests, the ABBL is organised itself around Clusters and Technical Committees, made up of senior specialists from the member organisations. Clusters represent the main business lines of the financial sector. They channel common issues and challenges of each domain and focus on the most strategic priorities for the members, the very ones that will have the most impact.

Corporate Banking

The cluster is strategically focused on central financial and non-financial intermediation roles of banks and other financial market intermediaries in the international corporate and wholesale markets, encompassing:

+ **Corporate Finance (also including ESG finance and loan agency)**
  Focus on e.g. risk and maturity transformation, multipartite intermediation, governance and safeguards
+ **Capital Markets (also including covered and green bonds, and ESG investing)**
  Focus on e.g. format conversion and fungibility, eligibility assessment, risk management (including hedging), and information intermediation
+ **Cash Management (also including payments and treasury)**
  Focus on e.g. liquidity management and funding, liquidity and payment intermediation

One of the highlights in 2020 was the initiation of the design of an inaugural market study “Corporate Banking & Finance Survey 2021” by the ABBL in cooperation with the CSSF and PwC. The survey aims to provide a better understanding and assessment of the corporate and wholesale banking landscape in and out of Luxembourg. By filling a previous gap and positioning this future bi-annual survey alongside other established members of the ABBL survey family (e.g. the Private Banking Survey or the Retail Banking Survey), the ABBL seeks to provide dependable, long term market intelligence in line with its mission and objectives.

The Cluster members appreciate the importance of trusted partnerships locally and abroad, allowing it to harness strengths

2 FOSTERING COLLABORATION WITH AND AMONGST OUR MEMBERS

and abilities from different corners of the Luxembourg financial ecosystem. Such partnerships are key to solving complex challenges but also to identifying commercial opportunities and driving innovation. In 2020, important external non-member partners supporting the cluster were the Ministry of Finance, inter alia via the different working groups set up by the Haut Comité pour la Place Financière, Luxembourg for Finance, the European Banking Federation and the CSSF.

Depositary Banking

The Depositary Banking Cluster represents banks active in depositary and custody services, and acts as a main reference point for interactions on depositary and custody activities with authorities and other stakeholders.

One of the main highlights of 2020 was the decision to carry out a market study in cooperation with the CSSF and Deloitte to collect broader market data. This essential data aids the development of business intelligence around depositary banking through research indicators, advocacy activity, promotion and positioning purposes.

In November 2020, the ABBL/ALFI Depositary Bank Forum completed its roadmap of best practices guidelines with the publication of the last document regarding the safekeeping of other assets.

Against this background, the ABBL and ALFI organised a joint virtual event to present the industry guidelines published for the last 2,5 years covering Oversight Duties, Financial Instruments held in custody, Other assets, Books and Records, Synthesis of regulatory framework applicable to depositaries, and Look-Through.

Furthermore, the ABBL launched in 2020 a new quarterly bulletin, the “Depositary Banking Luxembourg Insights” summarising key developments and achievements in the business line as well as fostering the DBCL community.

Engaging in partnerships with relevant actors of the Luxembourg depositary banking ecosystem was also important for achieving the cluster goals inside and outside of Luxembourg. In 2020, the main external partners supporting these activities were ALFI (shared guidelines developed dealing with such various topics as the recording of financial instruments, obligations linked to collateral, ownership verification duties on other assets, performance of look-though, and cash flow monitoring) and the IRE (Institut des Réviseurs d’Entreprises): an ad-hoc working group for fund auditors and depositary banks to share experiences on the end-of-year fund auditing process and to agree on common principles.

Payments

The digital transformation of our society is accelerating and payments services are playing an increasingly important role, directly enabling that evolution. The payments sector is growing at a strong pace, and the range of payment services is expanding to meet a diverse demand from consumers who are increasingly shopping on-line, SMEs which are keen to sell cross-border, merchants which cash flows require constant management or large corporates which need to optimise complex transactions.

The dynamism of the payments landscape in Luxembourg reflects these international trends and the strength of the country as a leading global financial center and a key player within the European single market. The number of payment services providers established in Luxembourg continues to grow, representing a range of different technologies, business models and positioning along the payments value chain.

In this context, the ABBL Payments Cluster is a platform for its members to discuss payments services and instruments, to share their experience of the evolution of this highly dynamic market and to exchange on critical policy issues underlying growth, innovation and competition. It lays the foundations for a unique collaboration between banks, payment institutions, electronic money institutions, support PSF, payment infrastructure providers, firms of lawyers and consultants, reflecting the diversity of the ecosystem in Luxembourg which makes its strength.

In particular in 2020, the Cluster has worked on:

- An FAQ on Instant Payments to allow ABBL members to raise awareness and promote Instant Payments to their customers using common messaging
- Exchanges between the Payments Cluster and the Ministry of Finance were organised in 2020 in order to better understand our respective expectations with regard to payments
- A Retail Payments Strategy Task Force has been set up to lobby on the proposed EU Retail Payments Strategy and to defend the interests of ABBL members
- The ABBL continues to play a role of facilitator for ABBL members to be informed on and eventually to integrate the European Payments Initiative
- The ABBL, card issuers and acquirers defined common messages to raise awareness to the public about the strong customer authentication in compliance with PSD2
- ABBL’s response to ECB consultation on Digital Euro

2 FOSTERING COLLABORATION WITH AND AMONGST OUR MEMBERS

Private Banking

The Private Banking Cluster regroups professionals active in private banking and wealth management with the primary objective to advocate and promote the private banking industry, both within Luxembourg and abroad. In a fast-changing market and regulatory environment, the qualification and professionalism of our members is our priority and key mission. By promoting standards, practices, ethical and deontological norms we strive to continuously progress.

CSSF / ABBL Private Banking Survey

One of the highlights in 2020 was the latest CSSF / ABBL Private Banking Survey. The 13th edition of the survey highlighted the following key findings:

- *AUM:* Assets under management in Luxembourg reached a total of €466BN by the end of 2019. This is a 107% increase since 2008 (€225BN); a doubling of assets, the result of 11 consecutive years of growth
- *Wealth bands & number of accounts:* Clients with assets over €20M represented 58% of total AUM at year end of 2019. The number of clients with assets of less than €1M continues to decrease (only 8% of total AUM in 2019).
- *Geographic analysis:* In terms of geographic origin of assets, Europe undoubtedly is the core market (85% of total AUM)
- *Employment:* The private banking sector employed 6,224 people in 2019 (6,676 in 2018)
- *Population:* 54 banks, representing over 95% of the private banking industry in Luxembourg

CSSF / EAM Survey

The ABBL published the CSSF / EAM Survey 2020. This survey was designed to collect relevant statistics related to the external asset managers servicing business in Luxembourg, in particular, assets booked within the Luxembourg custodian bank and assets booked within the European branches. The total AUM in Luxembourg reached the total sum of €45BN as of 30 June 2020, an amount standing 12% above the level reached in 2019.

2 FOSTERING COLLABORATION WITH AND AMONGST OUR MEMBERS

Retail Banking

The Retail Banking Cluster aims to defend professional interests of ABBL members active in retail banking, and to foster an exchange of ideas on a range of topics relevant to the sector.

During 2020, the Cluster performed its annual Retail Banking Survey in collaboration with the CSSF. The credit institutions participating in the survey represent over 90% of the retail banking business in Luxembourg. Retail Banking clients are private individuals and SMEs.

The figures stated are as 31 December 2019, the impact of the COVID-19 pandemic is therefore not reflected.

The retail banking sector is growing, with +7.5% of money under management, although retail banks, like many other types of banks, are under increasing pressure from regulatory measures and reduced margins. The Luxembourg retail banking sector is worth around € 86 billion (assets and liabilities combined). The sector employed 7,635 people at 31 December 2019 (7,686 in 2018).

Key findings of the study:

1. The retail banking sector remains stable
2. Significant move to digital : changing needs of clients with a shift towards digital channels for banking products
3. Strong mortgage market
4. Clients remain risk averse : consumers continue to keep most of their assets in savings accounts

The Cluster has also participated in the consultation process of the following regulatory topics:

- Consumer credit
- Payment accounts
- Mortgage credit
- Collective action

The European Commission (EC) is currently undertaking an evaluating process of several directives regarding notably consumer credit, mortgage credit and payment accounts in order to assess if they are still fit for purpose in light of providing a high level of consumer protection and an increasing digital environment.

Regarding consumer credit, the EC focus is among others on the extension of the scope of the directive by suppressing the current threshold, including new types of credit, the creditworthiness assessment requirements and the provision of pre-contractual information to the consumer.

The Directive on Payment accounts lays down common regulatory standards that Member States must meet to improve transparency and comparability of fees related to current accounts, facilitate switching of those accounts and ensure access to bank accounts with basic features.

The EC is running a study on the feasibility of automated redirection of payments, a framework allowing the EU-wide portability of payment account numbers and the switching of payment accounts cross-border.

The mortgage credit evaluation process is focused on pre-contractual information, creditworthiness requirements, early repayment, access to credit databases, credit intermediaries.

The Retail Banking Cluster was also involved in analysing and commenting the draft bill n°7650 regarding collective redress aiming to allow to introduce an action by a consumer or a qualified entity against a trader breaching a provision of the Consumer Code. The scope includes claims relating to consumer credit agreements, mortgage credits and distance contracts between a professional and a consumer relating to financial services.

2 FOSTERING COLLABORATION WITH AND AMONGST OUR MEMBERS

Technical Committees

Technical Committees focus on technical and regulatory issues: they examine regulations relevant to the banking and financial sector, formulate common positions and support members in the transposition and implementation of the new rules.

Forums

Forums offer certain categories of professionals within the ABBL membership with an informal platform to discuss among peers matters of common interest, with a particular focus on future and strategic issues, and to ensure that the interests of the said professionals are adequately represented within the ABBL.

Working Groups

Clusters, Technical Committees and Forums are assisted by a number of working groups to study in detail the complex regulations applicable to the different specific facets of the financial sector.

3 PROVIDING INDUSTRY AND REGULATORY EXPERTISE

We keep abreast of developments and trends and deliver analysis and positions on a wide range of topics that are important to our industry.

ABBL experts closely monitor regulatory issues as they are created, with the aim of articulating a balanced and measured vision to legislators and regulators and supporting members in understanding the new rules and their concrete implementation.

The visit of the FATF in the framework of the mutual evaluation is one of the key priorities, as it might impact the financial sector reputation. We actively prepared for the visit, in close collaboration with the Ministry of Justice, the Ministry of Finance and the CSSF, providing the FATF with the necessary information and documentation related to the efficiency questionnaire. We have also provided the FATF with a complete dossier demonstrating how the ABBL has contributed over the past two years to fostering and developing the awareness and compliance of its members with AML / CFT. We also actively prepared members selected for a potential on-site visit of FATF inspectors.

Another point of great importance for ABBL members is the implementation of tax transparency standards, for which the ABBL provides assistance to its members. In particular DAC 6, which required the clarification of points of interpretation with the Ministry of Finance and the Luxembourg tax administration. Once the points were clarified and understood, the ABBL experts published a comprehensive FAQ on DAC 6 for members.

Finalisation of the Basel III standard (Basel IV)

Further to the pandemic, the implementation deadline has been postponed by 1 year to January 2023. The legislative proposal of the European Commission proposal implementing Basel IV in the Capital Requirements Regulation is now expected by Q2 2021. The ABBL priorities, identified through a targeted quantitative impact study, are the new standardised approach for credit risk (including real estate financing), the new approach for operational risk and the CVA risk.

Outsourcing Regulation

The ABBL will actively monitor the implementation of the EBA guidelines by the CSSF, which will issue a specific circular subject to public consultation

Banking Union

The European authorities opened in 2020 a new stage in the debate on the future of the Banking Union with a new fresh impetus to the project. During the 2nd semester of 2020, the EU Council has continued to work during the German Presidency towards the strengthening of the Banking Union. In this context, the EU Commission has launched on 26 January 2021 a consultation on several topics, among others:

- Harmonizing the crisis management framework for smaller banks
- Harmonizing banks' creditor hierarchy, including the ranking of depositors
- Moving forward towards setting up the European Deposit Insurance Scheme (EDIS), in connection with targeted amendments to the Deposit Guarantee Schemes Directive

Legislative proposals from the European Commission are expected by Q1 2021 / Q2 2022.

Given the strategic relevance of these subjects that will shape the future banking landscape in the EU, the ABBL has decided to take part actively to the debate in order to promote the interests of the Luxembourg banking community.

3 PROVIDING INDUSTRY AND REGULATORY EXPERTISE

Environmental, Social and Governance (ESG) Risks

The ABBL will closely monitor the regulatory developments led by the EBA and the ECB, aiming at incorporating ESG risks in banks' risk management framework.

MiFID Review

In early 2020, the European Commission officially launched the review process for the entire MiFID II framework through a large-scale consultation touching upon an important number of topics relating both to investor protection as well as market structure. The ABBL not only provided an extensive contribution, but also worked, together with its membership, on defining clear priorities and principles for the MiFID review. With the ongoing COVID-19 crisis, the overall MiFID review is likely to take longer than anticipated, but the European Commission has engaged with the industry on a series of sub-topics (namely on the market structure side) and the ABBL continues to ensure that the Luxembourg sector's voice is heard in those discussions.

AIFMD Review

Following a January 2019 report by the European Commission on the creation of a single market for AIFs through a harmonised regulatory and supervisory framework, the European Commission published its stakeholder consultation at the end of October 2020 focusing on improving the overall functioning and competitiveness of the EU AIF industry, contributing to a well-functioning environment for investors, and ensuring the stability of the overall financial system.

Focusing on depositary banking topics as well as the discussions on revising the supervisory regime for AIFMs, the ABBL is actively engaged in providing feedback to the consultation and cooperates to such extent with ALFI to ensure an aligned industry approach. Following insightful discussions with the European Commission on potential changes to the depositary regime, the ABBL will closely continue to monitor this topic in the coming months to ensure the thriving of the Luxembourg fund sector, including most notably the depositary banking aspect thereof.

CSDR Review

On 8 December 2020, the European Commission published its targeted consultation on the review of the regulation on improving securities settlement in the EU and on central securities depositories (CSDR). Building on the ABBL work pertaining to the implementation of the current CSDR regime, mainly driven through the Securities Commission, the ABBL is currently in the process of identifying the most important keystones for the Luxembourg banking sector.

IBOR Reform

With the looming phase-out of IBORs around the world, the ABBL has teamed up with the European Central Banks Working Group on EURO Risk-Free Rates to ensure proper market education and spark necessary market discussions around issues arising in this context. Through its engagement within the European Money Markets Institute (EMMI), the ABBL is able to follow all aspects of the discussion and provide its membership with a complete overview of this thorny and technical topic.

Banking and Financial Law

In 2020, a particular point of attention related to the assessment of potential impacts on banks of the draft bill on collective action and the draft directive on collective redress.

The ABBL further advocated for modifications to the draft bill on inactive accounts in close liaison with the State Treasury on operational questions related to the implementation of the law and the consignment process.

Last but not least, the draft bill on professional payment guarantees proposed by the ABBL to the Ministry of Finance has been adopted as law (see the box).

Looking ahead to 2021, we anticipate further work on inactive accounts, consumer protection and possibly some initiatives on insolvency proceedings, as a result of the current economic context.

A new legal regime for personal guarantees under Luxembourg law

Personal guarantees under Luxembourg law were lacking legal certainty and flexibility in comparison to other guarantees given under foreign governing law.

To remedy that situation, the ABBL has worked with some of the most reputable finance lawyers of Luxembourg. They thoughtfully prepared a text proposal that has resulted into the law of 10 July 2020 on professional payment guarantees.

A professional payment guarantee is defined in the Law as an undertaking by which a person, the guarantor, undertakes towards another person, the beneficiary, to pay upon demand of that beneficiary an amount of money determined by the terms agreed between the guarantor and the beneficiary.

Key features of this new type of personal guarantee:

+ **Legal certainty:** terms of the guarantee protected by effect of the Law against judicial challenges
+ **Flexibility:** wide contractual freedom allowing the terms of the guarantee to be freely agreed by the parties

The Law will also benefit to borrowers by offering them a greater access to credit, which may be viewed as welcomed in the context of the COVID-19 situation.

New personal tax measures adopted in 2020

The Budget law of 19 December 2020 introduces a 50% tax exemption at the employee level on a discretionary amount allocated by the employer (“prime participative”). The law provides some conditions and limits in relation thereto which include the following:

+ The employer must realise income qualifying either as commercial, agricultural or forestry profit or profit deriving from a liberal activity under the LITL;
+ The aggregated amount allocated to employees limited to 5% of the company’s profit of the previous operating year; and
+ Individual profit participation scheme bonus limited to 25% of the beneficiary's annual gross compensation of the tax year during which the related payment is allocated to the employee.

The Budget law of 19 December 2020 codifies the impatriate tax regime initially foreseen by the Circular LITL n°95/2 of 27 January 2014. It also simplifies the conditions and introduces a 50% tax exempt impatriation bonus (limited to 30% of the annual gross remuneration) in replacement of the full exemption of a lump sum compensation for cost of living (limited to 8% of the monthly remuneration and to EUR 1500). The law also increases (1) the minimum required annual remuneration to benefit from the regime from EUR 50k to EUR 100k and (2) the duration of the favorable tax regime for up to 9 years (instead of 6 years).

Automatic Exchange of Information (DAC 6, CRS, FATCA)

The automatic exchange of information was another focus in 2020. Firstly, due to the COVID-19 crisis, the EU Council has adopted the Council Directive 2020/876 of 24 June 2020, allowing member states an option to defer by up to 6 months the time limits for filing and exchange of the following information:

+ automatic exchange of information on financial accounts of which the beneficiaries are tax residents in another member state;
+ reportable cross-border tax planning arrangements.

Similarly, the US tax authorities (IRS) have granted to the competent authorities a three-month deferral of reporting obligations in relation to the “Foreign Account Tax Compliance Act” (FATCA) for jurisdiction that have concluded a Model 1 intergovernmental agreement (IGA 1). In this context, the ABBL together with ALFI and ACA advocated for the postponement at the Luxembourg level of FATCA, CRS and DAC 6 reporting deadlines in 2020, which was granted by the Law of 24 July 2020.

In addition, the ABBL clarified key interpretative points under DAC 6 with the Ministry of Finance and the Luxembourg tax authorities and published comprehensive ABBL FAQs on DAC 6 to that effect.

Luxembourg Tax Reform

The scope of the tax reform anticipated in the current coalition agreement has been reviewed in light of budgetary constraints resulting from the COVID-19 crisis. The ABBL has continued to work on that file by developing comprehensive legislative proposals to support the digitalisation of businesses, energy transition and talent attraction (in cooperation with the UEL) and by submiting substantive comments with respect to the same in the context of the Budget bill for 2021.

VAT

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The European Commission has pursued in the course of 2020 its evaluation of the functioning of the current VAT rules on financial (and insurance) services. The ABBL has provided substantive input in relation thereto in the context of relevant expert-group discussions at EU level.

The ABBL also submitted a joint letter with ALFI to the Ministry of Finance to clarify the impact of the Blackrock ECJ case law (C-231/19) on fund management services in Luxembourg. In this case, the CJEU ruled that services that may be used in the management of both eligible (SIFs) and non-eligible funds (non-SIFs) may not be VAT exempt.

Events

Events are part of the ABBL's support to its members. If COVID-19 has changed the way we organise these events, now exclusively online, it has also allowed us to reach a greater number of participants and, thus, improve the richness of the exchanges. The webinars on the awaited Regulation No. 20-05 amending the AML / CFT Regulation CSSF 12-02 have consecutively brought together several hundred participants, giving a good example of the benefits of the new approach to events.

Beyond the number of participants, the quality of the exchanges concerning regulatory subjects related to the industry remains intact. The ABBL regularly invites experts to comment a topic of interest for its Members. The ABBL also promotes exchanges between clusters and committees, inviting advisers to share their knowledge on specific subjects with different groups of members concerned.

Spotlight

The future of Capital Markets in Europe from a Luxembourg banking sector perspective

The EU27 financial markets still lack coherence and impact. This is why, the ABBL believes that the development of deeper, autonomous and more integrated capital markets will be critical to strengthen the attractiveness and competitiveness of the European economy.

While the initial 2015-version of the Capital Markets Union (CMU) may have been successful in terms of legislation, its impact on the development and integration of EU markets remains limited. On this basis, the ABBL considers that the only way forward for the CMU in terms of financial markets regulatory reforms is to take ambitious political decisions associated with a long-term vision which should in particular aim at making EU financial markets actors stronger to deliver the different objectives set under the agenda of the CMU. As such, the ABBL actively contributes, as one of the sponsoring associations, to the Markets4Europe campaign initiated by the European Banking Federation (EBF), with the support of political personalities and CEOs of European corporates and market infrastructures (https://www.markets4europe.eu). The proposed reforms the ABBL has identified as key elements for the success of the renewed CMU efforts will, however, require time before generating palpable results and, for some of them, a step-by-step approach is necessary.

Key Issues

Overall, the key issue at hand is the outset of the financing of the European economy, which is traditionally built on bank credit. While the situation has changed since the 2008 financial crisis, the EU27 economies still rely to a dominant part on bank financing with the market-based financing lagging behind, notably behind the predominant markets within the United States.

With bank credit being significantly more constrained since the 2008 financial crisis through the addition of the various post-crisis regulatory reforms, banks are required to maintain large reserves of liquid assets with low returns. Furthermore, the current regulation tends to shorten the timelines and the financing horizon even though long-term financing becomes a real issue for the European economy. Finally, the ongoing regulatory developments are affecting access to financing increasing its cost and complexity. Hence bolstering market financing is the most important concern to address under the CMU.

Priorities

The CMU project is, in our eyes, the necessary answer to the changing financing needs of the real economy, by allowing clients to participate directly to the growth in European markets (against the background of low interest rates and demographic changes). A successful CMU will further strengthen the stability of financial markets through risk sharing across the European markets, as well as the global competitiveness and sovereignty of Europe. Indeed, financial integration provides risk sharing mechanisms that can reduce the impact of country-specific shocks and contributes to macroeconomic stability. Internationally diversified portfolios – cross-regional and cross-border asset holdings, including firm ownership claims – are more resilient to global and local shocks and can mitigate the impact of such adverse scenarios. This is particularly true when integration also occurs in equity markets as opposed to the current bias towards debt finance intermediated by banks. Naturally, for those member countries that belong to the euro area, this risk sharing mechanism is particularly important because the single monetary policy is unable to address asymmetric shocks. Therefore, more private financial risk sharing can significantly improve the macroeconomic stabilisation of the euro area and thereby the functioning of the Economic and Monetary Union.

It is further painfully obvious in the current COVID-19 pandemic that the lack of capital markets integration within the EU is hampering the development of adequate financing means to kickstart the European economy and economies in order to deter the development of a major economic crisis in the follow-up of the sanitary crisis. Fully developed EU27 markets would indeed bring about the required tools to finance the economy and the corporates hit by the lockdown of the economy.

In light of these pressing issues, the ABBL has identified, together with its members, a series of three main priorities to build integrated capital markets within the EU:

PRIORITY 1 Strengthen securitisation as a tool and a market: The Simple and Transparent Securitisation Regulation needs to be reviewed for the potential of this product to develop its fullest potential. The future regime should require less prudential requirements by giving banks the tools to lighten lending-driven balance sheets and thereby provide investors with viable and interesting investment alternatives.

PRIORITY 2 Channel savings and investments into sustainable activities: Sustainable finance activities are the future of the financial sector and therefore it is crucial to create and sustain an adequate regulatory framework ensuring qualitative services and products. The creation of a liquid market for green bonds, i.e., greenfield (from scratch) and brownfield (greening of existing infrastructure), is an important milestone for sensitising a larger public to the existence of interesting sustainable investment possibilities. Coupled with the development of green securitisation, this will be further encouraged through a meaningful disclosure requirement on ESG compliance and an appropriate ESG integration in asset classes and investment strategies. Financial and prudential regulation as (dis-)incentive should be used with an appropriately cautious approach.

PRIORITY 3 Improve withholding tax relief and refund procedures: By simplifying withholding tax procedures, it will be possible to finally build a saver-friendly and investor-friendly tax system that guarantees the tax reliefs for savers and investors under double tax treaties. This new efficient tax withholding relief and refund system will eventually serve as boost for cross-border investments and securities services.

THE ONLY WAY FORWARD FOR THE CMU IS TO TAKE AMBITIOUS POLITICAL DECISIONS ASSOCIATED WITH A LONG-TERM VISION

Considering the ambitious actions set forth by the European Commission, the next months and years will certainly serve as a benchmark as to whether, the EC will be able to keep the CMU project afloat and instil life into the anaemic European capital markets. The ABBL fully supports and endorses the objectives set by the European Commission which, if implemented correctly and in due time, will put EU financial markets in a position to offer concrete answers to the most immediate challenges ahead. Identifying the reforms is, however, only the first step and the ABBL urges the European Commission to use its bold action plan and the co-legislators to support a comprehensive reform together with national governments. Turning these ideas into action will require all stakeholders to fully grasp the practical implications of these reforms. In this context, the ABBL stands ready as a forum and partner for discussing constructively on the most salient topics.

4 OFFERING RESEARCH, THOUGHT LEADERSHIP AND FINANCIAL EDUCATION

The ABBL works with members for a better understanding of the market, through surveys and analysis on business lines (private banking, retail banking, depositary banking), on the employment, but also more generally on the impact of COVID on financial institutions. Certain more specific surveys allow us to better define the priorities of the sector, for example the impact study for the implementation of Basel IV, or on the adoption of cloud computing and Distributed Ledger Prototype.

The ABBL also supports research projects for the benefit of ABBL members, such as the research project about Trustworthy AI for instant AML due diligence, funded by ABBL Foundation for Financial Education and SnT of the University of Luxembourg, to resolve possible flaws in the reliability of artificial intelligence (AI) in the banking sector and to provide solutions to instant monitoring of payments..

We are also working to make members aware of current issues in the financial sector, to provide them with a complete picture. Thus, the ABBL joined the "Markets4Europe" campaign to raise awareness among Luxembourg financial sector players about the importance of fully integrated European capital markets.

To develop strategic skills for the financial sector, we have also developed, in collaboration with the House of Training and the Fondation ABBL pour l'éducation financière, dedicated training courses. These cover topics such as the Sustainable Finance Fundamentals, Depositary banking, AML/CFT case studies and Digital Finance.

Awareness is also aimed at end users of financial products and services, for whom the ABBL has created a comprehensive financial education program. It is aimed at all ages, with dedicated programmes such as the Woch vun de Suen (money week) and the Zuumer Academy, but also by publishing brochures (discover ABBL publications) and videos (discover ABBL Youtube channel) on key topics for those who want to better understand daily finance. We also support the digital financial training program of the Luxembourg Tech School, which focuses on the digital skills in demand within the financial sector, helping students to transit more easily from a full-time education to the workplace.

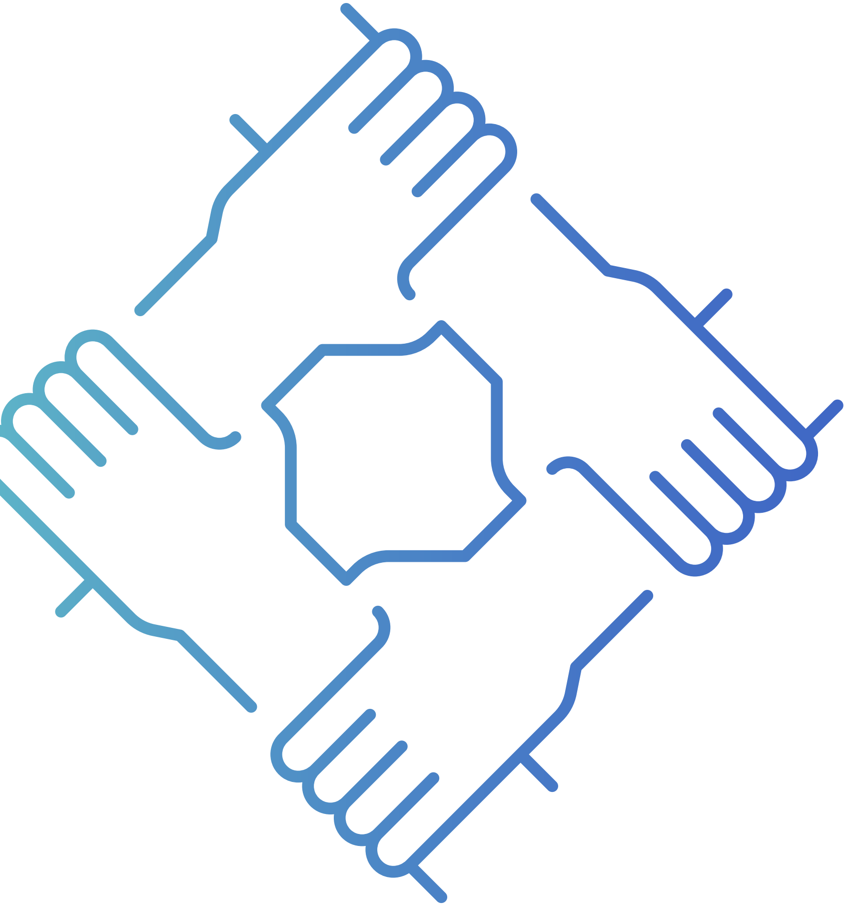
Projects supported by the ABBL Foundation

Luxembourg Tech School
In September 2020, the Foundation signed an agreement to support the digital financial training programme provided by the Luxembourg Tech School (LTS) (**more about LTS here**). The programme gives students the opportunity to learn the digital skills that are in demand in the financial centre, and will help them to transit more easily from full-time education to the workplace. This collaboration marks one of the Foundation's goals: prioritise an increased knowledge in economics and finance, as well as the development of marketable skills that the Luxembourg financial centre needs.

Interdisciplinary Centre for Security, Reliability and Trust (SnT) - University of Luxembourg
The ABBL, its Foundation and the SnT jointly initiated a research programme, "Trustwothy AI for instant AML Due Diligence", in order to develop tech solutions for the mutual benefit of the ABBL, its members and the SnT. The goal of this initiative is to develop a tool to resolve possible flaws in the reliability of artificial intelligence (AI) in the banking sector and to provide solutions to instant monitoring of payments.

Scholarship
Starting on the first half of 2021, the Foundation will provide a scholarship for Luxembourg students following higher studies in Switzerland in connection with the financial sector.

5 COLLABORATING WITH OTHER ECONOMIC ACTORS AND RELEVANT AUTHORITIES



The ABBL has detached an office to carry out its lobbying activities and defend the interests of its members directly with the European Parliament and the European Commission in Brussels. These activities are part of the democratic process and are registered in the European transparency register.

Themes for which we are actively involved in the lobbying process are:

- Capital Market Union (CMU), especially with the launch of the CMU action plan and the ensuing concrete action points
- Brexit and further related policy decisions taken by relevant authorities
- IBOR reform
- AIFMD Review
- EU strategy on sustainable finance
- Evaluation of the current VAT rules on financial services
- Digital Euro
- Digital Finance Package, including the regulation on markets in crypto-assets (MiCA), the regulation on a pilot regime for market infrastructures based on distributed ledger technology, the digital operational resilience (DORA) and a draft report on emerging risks in crypto-assets
- General Data Protection Regulation (GDPR), in particular on the uncertainty surrounding data transfers to third countries
- MiFID Review: The ABBL not only provided an extensive contribution, but also worked, together with its membership, on defining clear priorities and principles for the MiFID review.

Consumer protection is also a key priority at European level, and specifically:

- Consumer credit and the suppression of the current threshold, including new types of credit, the creditworthiness assessment requirements and the provision of pre-contractual information to the consumer.
- Payment accounts and the feasibility of automated redirection of payments, a framework allowing the EU-wide portability of payment account numbers and the switching of payment accounts cross-border.
- Mortgage credit and pre-contractual information, creditworthiness requirements, early repayment, access to credit data-bases, credit intermediaries
- Collective action, aiming to allow to introduce an action by a consumer or a qualified entity against a trader breaching a provision of the Consumer Code.

We also closely monitor the evolutions of all legislative proposals at EU level relating to the banking sector and the financial centre as a whole. An overview, regularly updated, is available on ABBL website.

At the national level, we work in close collaboration with the various economic and political actors. For example, with the Luxembourg Employers Association (UEL) in order to represent the interests of financial institutions on topics such as teleworking outside the COVID-19 context.

Spotlight

The EU sustainable finance agenda and its impacts for the luxembourg banking sector

It is now of essence that legislators and regulators worldwide, especially in the EU, enforce the embedment of climate and ESG considerations within legal frameworks by setting mandatory milestones to be complied with, in order to provide a clear legal framework so that is no longer an option to ignore sustainability aspects when conducting business.

The EU Action Plan on Financing Sustainable Growth together with the EU Green Deal introduce multiple measures to bridge the financing gap to achieve the climate and sustainability targets and maintain the competitiveness of Europe, and ultimately build a more sustainable, inclusive and fair economy.

While the ABBL already initiated its own work plan a few years ago, in parallel with the work initiated at the EU level, a dedicated Sustainability Committee has been created to engage in a strategic dialogue with its Members, closely monitor sustainable finance developments and bring them forward to the banking sector. The ABBL is convinced that having a dedicated governance to support its members in that field is absolutely critical for Luxembourg to remain a European hotspot for sustainable finance.

In light of the EU sustainable finance agenda and the growing expectations from many stakeholders (not limited to the finance sector), the ABBL has defined three pillars to implement its sustainable finance strategy: (1) the active support of financial education and training initiatives with a specific focus on sustainable finance, (2) the promotion of corporate social responsibility and (3) the monitoring of key regulatory developments and the development of sustainable finance toolkits.

Sustainability Committee role and missions

Missions

- Act as steering committee for Sustainability within the ABBL
- Serve as platform for exchanges with Banks and key external stakeholders
- Strengthen coordination between industry associations active on Sustainability
- Ensure adequate coverage of main sustainability topics for Luxembourg financial sector
- Identify and formulate terms of reference for working groups
- Define main topics for working groups and approve outputs
- Discuss ABBL lobbying strategies

Scope

- EU regulatory package on Sustainable Finance
- Sustainable corporate governance and disclosures
- Luxembourg Sustainable Finance Strategy Roadmap
- EU Renewed Sustainable Finance Strategy
- Capital Markets Union (sustainability-related items)
- Financial Education and Training

FInancial Education and Training

Missions

- Raise awareness and integrate financial literacy and sustainability into education and professional training
- Identify and address the need for skilled resources, specialized employees and targeted training

Topics / actions

- Education programs / videos for the general public and for the youth
- Certified training programs for professionals
- Glossary on Sustainable Finance

Corporate Social Responsibility

Missions

- Support Banks in integrating sustainability dimensions, metrics and information in internal corporate strategy and reporting

Topics / actions

- Guidelines for the banking sector
- Tools, best practice and knowledge sharing
- Survey (to be confirmed)

Sustainable Finance

Missions

- Support Banks in integrating sustainability considerations in financing, investing and advisory processes
- Support Banks in including sustainability metrics in external reporting, disclosures and risk management framework

Topics / actions

- SFDR (implementation guide)
- MiFID II suitability
- ESG Risk
- Taxonomy
- Corporate governance and disclosures (NFRD)
- Standards and labels

Key priorities and action points

A successful implementation of the EU agenda is essential to further strengthen the attractiveness and the resilience of the Luxembourg financial centre.

To this end, the ABBL has identified, together with its members, a series of key priorities to bring the sustainable finance agenda forward in the Luxembourg banking sector.

PRIORITY 1

Creating awareness and develop expertise on sustainable finance

Over the last years, the growing importance of new aspects such as the climate change, the degradation of the environment and the social crisis have created further interplay between financial education and the role of investments and funding to build a more sustainable and inclusive society. Financial education and training have been influenced in a manner that they have both progressively included ESG components and even transformed into full-fledged sustainable finance programmes. Create and raise awareness of the general public as well as identify and address the need for skilled resources, specialised employees and targeted training for professionals is a key priority for the Luxembourg banking sector.

PRIORITY 2

Promote Corporate Social Responsibility and improve practices

In the context of the EU agenda on sustainable finance, most stakeholders recognise the value, the importance and the role of corporate social responsibility to conduct business in a sustainable way with a long-term vision. Sustainability-related information will be soon accounted for in the same way as financial information. Establishing the right governance and culture to deliver companies' business objectives and integrate sustainability in all employees' work (including directors) and their decision-making is thoroughly pinned on the ABBL members' roadmap.

PRIORITY 3

Channel financial flows into sustainable activities

The challenges that the banking sector is faced with are twofold: (1) the timely compliance with an accelerating regulatory agenda along with (2) financing a successful transition to a low-carbon and more sustainable economy. It touches upon the environmental, the social and the governance aspects of banks' business models but it ultimately relies on the financial component to thrive.

Changing customer preferences and the influence of regulatory developments affect the entire banking value chain and raise fundamental questions at senior management level, as well as strategic and operational changes across all business lines, especially to collect and process a broad range of new data.

Integrating sustainability considerations in the banks' financing, investing and advisory processes as well as including sustainability aspects in reporting, disclosures and risk management framework could also be the source of many opportunities for ABBL members: the introduction of new products and financial solutions, the improvement of brand and reputation and, at the same time, long-term business risks can also be reduced by properly managing, measuring and tracking sustainability factors; finally it could further enhance the engagement and the dialogue with clients and counterparties.

6 REPRESENTING MEMBERS FOR THE PURPOSE OF COLLECTIVE EMPLOYMENT RELATIONS

As an employers' association, one of the key roles of the ABBL is to assist our members in all social and labour matters. The Social Affairs Committee handles topics related to the relationship between the employer and the employee. We represent the financial sector in the Tripartite, the Luxembourg Economic and Social Council (CES) and in the Luxembourg Employers' Federation (UEL).

During 2020, the Social Affairs Committee provided assistance to the members as employers during the Covid-19 crisis especially regarding teleworking and cross-border related issues. In this context, the ABBL established a Q&A in order to respond to all the various questions employers had and shot a video in collaboration with the Association for Health Services in the Financial sector (Association pour la Santé au Travail des secteurs tertiaires et Financier) to provide employers with information and best practices in relation to the decontainment.

The ABBL also participated in the discussions about teleworking (outside the context of the coronavirus pandemic) which led to the signature of a new agreement between social partners on 20 October 2020. This new agreement is seen as a great achievement as it dusts off the agreement signed almost 15 years ago when digitalization and remote working was something exceptional.

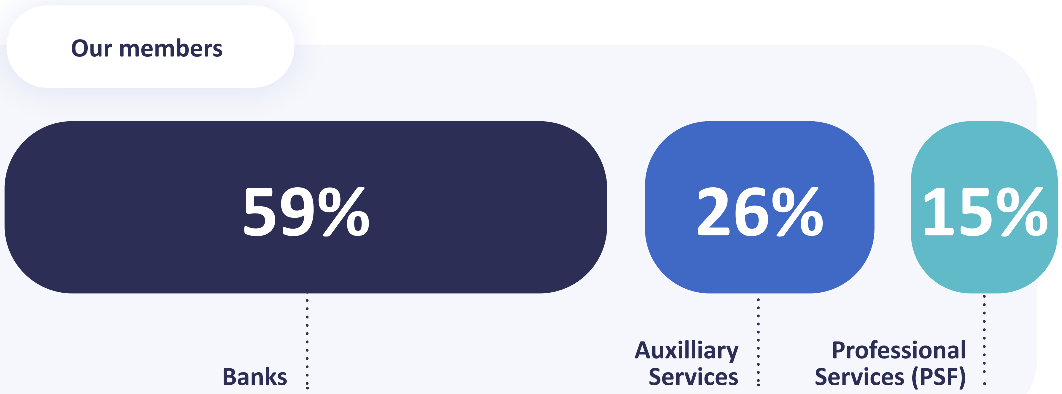
The Committee conducts an annual study of the employment market. This allows participants to have a benchmark to compare their practices with those of the other employers of the banking sector.

The ABBL also monitored the implementation in Luxembourg law of the CRD5 directive on remuneration policy and the discussions held at the *Comité Permanent du Travail et de l'Emploi* level concerning a forthcoming initiative aiming at amending the social plan regimes.

Looking ahead to 2021, the Social Affairs Committee will continue to monitor legal and regulatory developments affecting employment, guiding ABBL members and providing support with the interpretation and implementation of laws related to labour matters. Focus will be put on the negotiations and the signature of a fair new Collective Bargaining Agreement, taking into account the current crisis situation.

04 Our members (as of 31 March 2021)

Diversity is one of the ABBL's riches, and we strive to cultivate it. We count among our members more than 160 organisations: banks, PSF and providers of auxiliary services, which constitute all together a fair reflection of the financial centre in its diversity.



162

96 category A members (banks)
24 category B members (PSF)
42 category C members (auditors, law firms, consultants)

63

related members

20

new members since 1 January 2020

LIST OF ABBL MEMBERS

Category A

Advanzia Bank S.A.
Agricultural Bank of China (Luxembourg) S.A.
Allfunds Bank International S.A.
Andbank Luxembourg S.A.
Banca March, S.A., Luxembourg Branch
Banco Bradesco Europa S.A.
Banco Santander (Brasil) S.A., Luxembourg Branch
Bank GPB International S.A.
Bank Julius Baer Europe S.A.
Bank of China Limited, Luxembourg Branch
Bank of Communications (Luxembourg) S.A.
Banking Circle S.A.
Bankinter Luxembourg S.A.
Banque BCP S.A.
Banque de Commerce et de Placements S.A., Luxembourg Branch
Banque de Luxembourg S.A.
Banque de Patrimoines Privés
Banque Degroof Petercam Luxembourg S.A.
Banque Havilland S.A.
Banque Internationale à Luxembourg S.A.
Banque J. Safra Sarasin (Luxembourg) S.A.
Banque Raiffeisen S.C.
Banque Transatlantique Luxembourg S.A.
BEMO Europe- Banque Privée S.A.
BGL BNP Paribas S.A.
BPER Bank Luxembourg S.A.
Brown Brothers Harriman (Luxembourg) S.C.A.
CA Indosuez Wealth (Europe)
CaixaBank Wealth Management Luxembourg S.A.
China Construction Bank (Europe) S.A.
China Everbright Bank (Europe) S.A.
China Merchants Bank Co., Ltd., Luxembourg Branch
CIBC Capital Markets (Europe) S.A.
Citco Bank Nederland N.V., Luxembourg Branch
Citibank Europe plc, Luxembourg Branch
Clearstream Banking S.A.
Commerzbank Finance & Covered Bond S.A.
Compagnie de Banque Privée Quilvest S.A.
Credit Suisse (Luxembourg) S.A.
Danske Bank International S.A.
DekaBank Deutsche Girozentrale, Succursale de Luxembourg
Delen Private Bank Luxembourg S.A.
Deutsche Bank Luxembourg S.A.
DNB Luxembourg S.A.
DZ Privatbank S.A.
East-West United Bank S.A.
Edmond de Rothschild (Europe)
EFG Bank (Luxembourg) S.A.
Elavon Financial Services DAC-Luxembourg Branch
Eurobank Private Bank Luxembourg S.A.
European Depositary Bank S.A.
Fideuram Bank (Luxembourg) S.A.
FIS Privatbank S.A.
Fortuna Banque s.c.
Hauck & Aufhäuser Privatbankiers AG, Niederlassung Luxemburg
HCOB Securities S.A.
HSBC Continental Europe, Luxembourg
Industrial and Commercial Bank of China (Europe) S.A.
ING Luxembourg
Intesa Sanpaolo Bank Luxembourg S.A.
J.P. Morgan Bank Luxembourg S.A.
John Deere Bank S.A.
Keytrade Bank Luxembourg S.A.
Landesbank Baden-Württemberg, Luxembourg Branch
Lombard Odier (Europe) S.A.
Mediobanca International (Luxembourg) S.A.
Mirabaud & Cie (Europe) S.A.
Mitsubishi UFJ Investor Services & Banking (Luxembourg) S.A.
Mizuho Trust & Banking (Luxembourg) S.A.
Natixis Wealth Management Luxembourg
Nomura Bank (Luxembourg) S.A.
NORD/LB Luxembourg S.A. Covered Bond Bank
Northern Trust Global Services SE
Novo Banco S.A., Succursale de Luxembourg
PayPal (Europe) S.à r.l. et Cie, S.C.A.
Pictet & Cie (Europe) S.A.
POST Finance
Quintet Private Bank (Europe) S.A.
Rakuten Europe Bank S.A.
RBC Investor Services Bank S.A.
RCB Bank Ltd, Luxembourg Branch
Royal Bank of Scotland International Limited, Luxembourg Branch (The)
Skandinaviska Enskilda Banken AB (publ), Luxembourg Branch
SMBC Nikko Bank (Luxembourg) S.A.
Société Générale Luxembourg
Spuerkeess
State Street Bank International GmbH, Zweigniederlassung Luxemburg
Sumitomo Mitsui Trust Bank (Luxembourg) S.A.
Svenska Handelsbanken AB (Publ), Luxembourg Branch
Swissquote Bank Europe S.A.
The Bank of New York Mellon S.A./N.V., Luxembourg Branch
UBS Europe SE, Luxembourg Branch
UniCredit International Bank (Luxembourg) S.A.
Union Bancaire Privée (Europe) S.A.
VP Bank (Luxembourg) SA
Wüstenrot Bausparkasse AG, Niederlassung Luxemburg

LIST OF ABBL MEMBERS

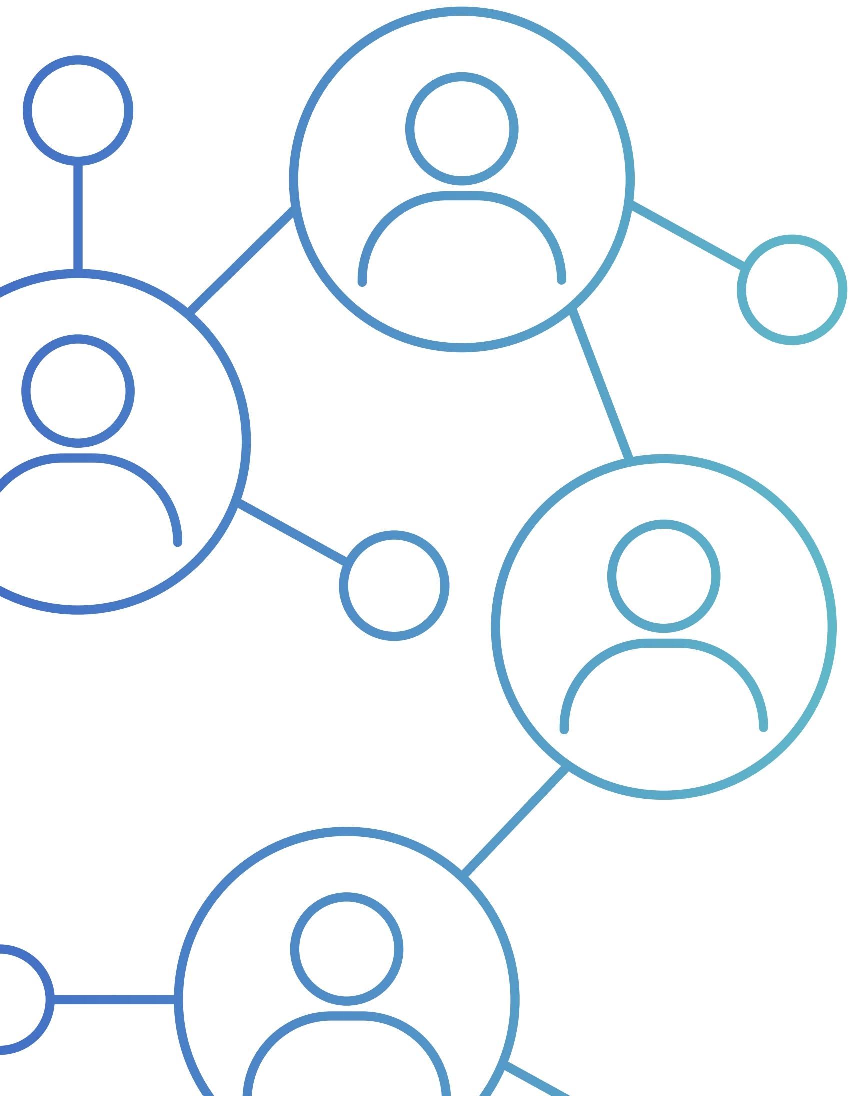
Category B

- Accenture (Luxembourg) S.à r.l.
- Airbnb Payments Luxembourg S.A.
- Amazon Payments Europe S.C.A.
- BOS Wealth Management Europe S.A.
- Bourse de Luxembourg
- CapitalatWork Foyer Group S.A.
- Chambre de Commerce du Grand-Duché de Luxembourg
- Colin & Cie. Luxembourg S.A.
- CYBERservices Europe S.A.(membership suspended until further notice)
- Eurizon Capital S.A.
- Finologee S.A.
- i-Hub S.A.
- Interactive Brokers Luxembourg S.à r.l.
- LuxCSD S.A.
- LUXHUB S.A.
- LuxTrust S.A.
- Payconiq International S.A.
- PPRO Payment Services S.A.
- Radices VBK+CO (Luxembourg) S.A.
- Satispay Europe S.A.
- SIX Payment Services (Europe) S.A.
- Sopra Banking Software Luxembourg
- Union Investment Luxembourg S.A.
- Unzer Luxembourg S.A.

Category C

- Allen & Overy S.C.S.
- Alpha Omega S.à r.l.
- Arendt & Medernach S.A.
- ATOZ S.A.
- Avaloq Luxembourg S.à r.l.
- Avantage Reply (Luxembourg) S.à r.l.
- Baker & McKenzie Luxembourg
- BDO
- BearingPoint Luxembourg S.à r.l.
- Bonn & Schmitt
- Brucher Thieltgen & Partners, Avocats à la Cour
- Castegnaro S.à r.l.
- Clifford Chance S.C.S.
- CMS Luxembourg
- Deloitte General Services S.à r.l.
- Dentons Luxembourg
- DLA Piper Luxembourg S.à r.l.
- Elvinger Hoss Prussen, société anonyme
- EY
- Forethix S.à r.l.
- Grant Thornton Advisory S.A.
- GSK Stockmann S.A.
- Kleyr Grasso S.C.S.
- KPMG Luxembourg, Société Coopérative
- Linklaters LLP
- Loyens & Loeff Luxembourg S.à r.l., Avocats à la Cour
- Mazars Financial Advisory Services S.A.
- Microsoft Luxembourg S.à r.l.
- Molitor- Avocats à la Cour S.à r.l.
- NautaDutilh Avocats Luxembourg S.à.r.l.
- Norton Rose Fulbright Luxembourg S.C.S.
- NSI (Luxembourg) S.à r.l.
- PricewaterhouseCoopers, Société coopérative
- Schiltz & Schiltz S.A.
- Simmons & Simmons Luxembourg LLP
- Stibbe Avocats
- Temenos Luxembourg S.A.
- Thomson Reuters Finance S.A.
- Wavestone Luxembourg
- Westrich Gen S.A.
- Wildgen S.A.
- zeb

05 About the ABBL



Established in 1939, the Luxembourg Bankers' Association is the oldest and largest professional association in the financial sector, representing the majority of financial institutions as well as regulated financial intermediaries and other professionals in Luxembourg, including law firms, consultancies, auditors, market infrastructures, electronic-money and payment institutions. This makes us truly representative of the diversity of the Luxembourg financial centre, placing us in a unique position, able to give the entire sector a voice at both national and international level.

We provide our members with the intelligence, resources and services they need in order to operate in a dynamic financial market and in an increasingly complex regulatory environment. We also facilitate an open platform to discuss key industry issues and to define common positions for the entire sector.

We are organised around four main pillars, dedicated to the banking sector of today and of the future: Sustainability & Conduct, Digital & Innovation, Member Relations and Regulatory Affairs. With this structure, we facilitate a transversal approach, with our Member Relations team acting as the interface between the ABBL experts and ABBL members, ensuring that efforts are always focused on issues that have the biggest impact on the sector, today and tomorrow.

The ABBL is also part of a much larger eco system, and we work closely with partner associations in the wider economic environment, as well as national and international bodies and committees, including the Haut Comité de la Place Financière (HCPF), the Luxembourg Financial Supervisory Authority (CSSF), the Luxembourg Central Bank (BCL), the Luxembourg Employers' Federation (UEL), the Luxembourg Stock Exchange, the Economic and Social Council, the European Banking Federation (EBF), the European Covered Bond Council and the European Payments Council (EPC).

In order to ensure close monitoring of EU regulatory developments, and to support our sectors' EU lobbying efforts, we have a Representative Office in Brussels, where our European Affairs team closely follows regulatory developments, interacts with policy makers and represents the interests of ABBL members in Brussels.

OUR COLLECTIVE AMBITION, FOR AND ON BEHALF OF OUR MEMBERS, IS TO PROMOTE THE SUSTAINABLE DEVELOPMENT OF REGULATED, INNOVATIVE AND RESPONSIBLE BANKING SERVICES IN LUXEMBOURG

CHAIRMAN
Guy Hoffmann
Banque Raiffeisen S.C.

Guy Hoffmann holds a Master of Business Administration (MBA) from Sheffield Hallam University and honed his skills by completing various academic and executive education programs including courses at IMD (Lausanne) and the Chartered Institute of Bankers (London). In 1987, he began his professional career at Banque Générale du Luxembourg until 2007, where he held various senior positions including Director of Commercial Banking and Head of International Risk Management. In 2007, Hoffmann joined Banque Raiffeisen Luxembourg as Adviser to the Management Board. After having become a Member of the Management Board in 2007 and Member of the Board of Directors in 2008, he was appointed CEO in 2011, and since 2020, he is Chairman of the Board. Hoffmann has been a Member of the ABBL Board of Directors since 2016 and was elected ABBL Chairman in April 2018.

Board of Directors

VICE-CHAIRMAN
Pierre Etienne
Pictet & Cie (Europe) S.A.

Pierre Etienne joined Pictet & Cie (Europe) S.A. in Luxembourg in 2002 and was appointed Managing Director in 2010. He has been a member of the Management Committee of Pictet Luxembourg since 2002, originally responsible for the administrative and operational activities of the Group's investment fund platform. In 2009 he also joined the Management Committee of the Group's custodian bank in Geneva. Before joining Pictet, he held a number of management positions, including head of finance and operations at Banque Fortis in Luxembourg and director of e-banking at Banque Générale du Luxembourg. Pierre Etienne holds a degree in Civil Engineering & Applied Mathematics from the Université Catholique de Louvain and an MBA in Finance from Chicago Business School. Pierre Etienne was elected Vice-Chairman in June 2020.

BOARD MEMBERS

Pierre Ahlborn
Banque de Luxembourg S.A.

Claire Alexandre
PayPal (Europe) S.à r.l. et Cie, S.C.A.

Béatrice Belorgey
BGL BNP Paribas S.A.

Stanislas Chambourdon
KPMG Luxembourg, Société Coopérative

Olivier Chatain
CA Indosuez Wealth (Europe) S.A.

David Claus
The Bank of New York Mellon S.A./N.V., Luxembourg Branch

Colette Dierick
ING Luxembourg S.A.

Falk Fischer
Bank Julius Baer Europe S.A.

Luc Frieden
Chambre de Commerce du Grand-Duché de Luxembourg

Joe Hendry
Brown Brothers Harriman (Luxembourg) S.C.A.

Arnaud Jacquemin
Société Générale Luxembourg

Frank Krings
Deutsche Bank Luxembourg S.A.

Marcel Leyers
Banque Internationale à Luxembourg S.A.

Philippe Renard
RBC Investor Services Bank S.A.

Robert Scharfe
Bourse de Luxembourg

Thorsten Schmidt
NORD/LB Luxembourg S.A. Covered Bond Bank

Philippe Seyll
Clearstream Banking S.A.

Françoise Thoma
Banque et Caisse d'Epargne de l'Etat, Luxembourg

Massimo Torchiana
Intesa Sanpaolo Bank Luxembourg S.A.

Henri Wagner
Allen & Overy S.C.S.

Haifeng Xu
Bank of China Limited Luxembourg Branch

CEO
Yves Maas

Yves Maas holds a language degree from Universität des Saarlandes. In 1989, he embarked on his professional career at Cedelbank Luxembourg (now Clearstream) where he remained until 1999 and held various senior positions including Director for Product Development and Member of the Executive Management Board. In 1999, Maas joined Credit Suisse Private Banking as Head of Securities & Treasury, IT & Operations and Member of the Executive Board. In 2001, he became Member of the Management Committee Technology & Operations and Head of Private Banking Operations Switzerland. In April 2012, Maas returned to Luxembourg to become CEO and Member of the Board of Credit Suisse Luxembourg S.A. and Country Head Credit Suisse Luxembourg. Since March 2017, Maas has held the position of Chairman of the Board of Credit Suisse Luxembourg. Maas served as Chairman of the ABBL from 2014 to 2018. He was elected Vice-Chairman on 20 April 2018. He took on the role of CEO in December 2019.

Management Board

MEMBER OF THE MANAGEMENT BOARD
Catherine Bourin

Catherine Bourin holds a Doctorate in European Law from the University of Rennes and a Masters' degree in European Law from the University of Exeter (UK). She joined the ABBL in 1999 as legal adviser. In 2011, she became Head of Legal Affairs. In 2013, she became a member of the Management Board and now leads the Sustainability & Conduct unit of the ABBL. She represents the ABBL in a number of Committees at the the Commission de Surveillance du Secteur Financier (CSSF), the European Banking Federation (EBF), the Luxembourg Federation of Employers (UEL), the Ministry of Finance, the Ministry of Justice as well as the Ministry of Economy. Furthermore, she is President of the Association pour la santé au travail dans les secteurs tertiaire et financier. Furthermore, she is President of the Association pour la santé au travail dans les secteurs tertiaire et financier (ASTF). Bourin is a Board member of the Association Luxembourgeoise des Juristes de Droit Bancaire (ALJB), the Association Européenne des Juristes de Droit Bancaire (AEDBF) and LuxFLAG. Bourin is also a lecturer at the University of Luxembourg.

SECRETARY GENERAL MEMBER OF THE MANAGEMENT BOARD
Camille Seillès

Camille Seillès joined the ABBL in 2012 as legal and tax adviser. He became Secretary General in 2017 and joined the Management Board in 2018. In addition to his role as Corporate Secretary, he currently leads the Regulatory Affairs unit. A lawyer by background, Seillès holds a Master of Laws (LL.M.) in international business law from King's College London and a Masters' Degree in business taxation from the University of Paris-Dauphine. He received his initial legal training at the University of Cologne and the University of Paris I Panthéon-Sorbonne. He was admitted as Avocat à la Cour in Luxembourg in 2008 (on hold since 2012). A recognised expert in the field of taxation, Seillès is Chair of the Fiscal Committee of the European Banking Federation (EBF) and a member of the Committee on Taxation and Fiscal Policy at the Business and Industry Advisory Group to the OECD (BIAC). Since 2021 he is as member of the Social and Economic Council (CES) and the Consultative Committee for Prudential Regulation (COREPU).

Senior Management

CHIEF OPERATING OFFICER
Judith Gledhill

HEAD OF INNOVATION, DIGITAL BANKING AND PAYMENTS
Ananda Kautz

HEAD OF EUROPEAN AFFAIRS
Antoine Kremer

HEAD OF BANKING REGULATION AND FINANCIAL MARKETS
Gilles Pierre

HEAD OF MEMBER RELATIONS
Sarah Odru

HEAD OF HUMAN RESOURCES
Myriam Sibenaler

Advisers

FISCAL AFFAIRS
Laétitia Carroz

EUROPEAN AFFAIRS
Aurélie Cassou

SOCIAL AFFAIRS
Cristelle Cervellati

SUSTAINABILITY
Julien Froumouth

LEGAL AFFAIRS
Jonathan Hug

RETAIL BANKING
Simone Kayser

DIVERSITY
Fabienne Lang

PROFESSIONAL OBLIGATIONS
Julien Leroy

Advisers

PRIVATE, CORPORATE & DEPOSITARY BANKING
Fabio Mandorino

FINTECH & INNOVATION
Andrey Martovoy

FINANCIAL EDUCATION
Jessica Thyrion

DIGITAL & PAYMENTS
Antoine Van den Bulcke

FINANCIAL MARKETS
Gilles Walers

Support

INFORMATION TECHNOLOGY
David De Oliveira

COMMUNICATION
Laurence D'haeyere

SECRETARIAT
Judith Dias

HEAD OF ACCOUNTING & FINANCE
Chloé Farouault

HEAD OF INFORMATION TECHNOLOGY
Carlo Fonseca

ACCOUNTING & FINANCE
Elisângela Furtado

SECRETARIAT
Chantal Hoffmann

MEMBER RELATIONS
Lana Kupusovic

Support

SECRETARIAT
Ghislaine Mercatoris

INFORMATION TECHNOLOGY
Olivier Pemmers

SECRETARIAT
Sophie Poekes

SECRETARIAT
Annick Rollinger

FACILITY MANAGEMENT
Piero Ruscitti

SECRETARIAT
Perrine Schuler

06 Become a member of the ABBL

- Timely and privileged access to critical information via our Clusters, Technical Committees and related Working Groups
- Access to relevant authorities and stakeholders in Luxembourg and Brussels via our network and EU representative office
- Access to the assistance and technical expertise of a strong in-house team
- Exclusive access to the ABBL MemberNet, providing relevant reference documents and expert handbooks and guidelines on technical subjects
- An effective integration into the banking and financial community in Luxembourg

ABBL member

The ABBL aims to unite the many voices of the financial centre, to defend your interests and support the continued success of the sector. If you are active in Luxembourg, then membership provides an opportunity to have your voice heard.

The ABBL is open to banks, regulated financial intermediaries, and professionals working in or for the financial sector in Luxembourg, such as lawyers, consultants, payments or service providers and auditors.

Applications for membership must be submitted in writing to the Chair, and admission is decided by the ABBL Board of Directors on a quarterly basis. To start the application process, please contact **our Member Relations team** or complete the contact form on our website.

Why become a member of the ABBL?

Contact

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L-1468 Luxembourg

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mail@abbl.lu

Association des Banques et Banquiers, Luxembourg
The Luxembourg Bankers' Association
Luxemburger Bankenvereinigung