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Banque de Luxembourg

A century-old bank

The history of Banque de Luxembourg, which in 2020 celebrates 100 years in the Grand Duchy, is closely linked to that of the country's financial centre, whose development the Bank has always actively supported. Banque de Luxembourg's core business has evolved in parallel with the strategic choices made by the financial centre. Initially a bank serving businesses and merchants, in the 1960s it developed expertise in private banking and asset management, before going on to become one of the pioneers in services for asset management professionals and investment fund promoters. But above all, it's the history of the people who have consistently and relentlessly worked to find the most effective solutions for their clients.

The name 'Banque de Luxembourg' became official in 1978, but in fact the Bank's origins date back to 1920. In the aftermath of the First World War, as investment in industry was starting to ramp up, Banque d'Alsace et de Lorraine (BAL) opened a branch in Luxembourg, at 20 rue de l'Arsenal. In 1929, the stock market crash reverberated across stock exchanges around the world. It was against this challenging backdrop that in 1931 Société Alsacienne de Crédit Industriel et Commercial (SACIC) – founded in 1919 by Société Générale du Crédit Industriel et Commercial (the future CIC) – took over the business of Banque d'Alsace et de Lorraine, most notably the Luxembourg branch, and renamed it Crédit Industriel d'Alsace et de Lorraine (CIAL).

Market crash, conflict and client trust: 1920–1950

In the 1930s, two new banking institutions emerged in Luxembourg: CIAL Luxembourg, a branch of CIAL, and Banque Mathieu Frères, which was founded in 1937 and quickly proved popular with local and international clients

who were attracted by its private, family aspect. Together the two banks had to tackle not only the difficult pre-war years but also the global conflict and the occupation of Luxembourg beginning in 1940. After four years of conflict, the City of Luxembourg was finally liberated by the allied forces in September 1944. Businesses started up again and CIAL Luxembourg, under the command of Marcel Reckinger, appointed as director, reopened to the public in February 1945. Banking also resumed, facilitated by cooperation between the Benelux countries. Those years of crisis forged a keen sense of responsibility towards its clients.

European construction and the spirit of partnership: 1951–1971

To support its growth, in 1954 CIAL Luxembourg began constructing a modern building in the city centre, at 103 Grand-Rue. The new building was officially opened two years later in the presence of Pierre Werner, Luxembourg's Finance Minister, Jean Wenger-Valentin, chairman of CIAL, and Marcel Reckinger, CEO of CIAL Luxembourg. CIAL Luxembourg quickly turned its attention to an international clientèle, while Banque Mathieu Frères started building up its portfolio of Belgian and French clients.

In 1967, following the death of Marcel Reckinger, CIAL's joint management was entrusted to his son Robert and to Pierre Birckel. In 1969, as the Eurobond market was starting to expand and foreign banks began opening branches in Luxembourg on a huge scale, CIAL became a shareholder in Banque Mathieu Frères with a 30.2% stake. The closer links between the two companies helped to boost business at the future Banque de Luxembourg.

In 1971, not long after the 50th anniversary of CIAL Luxembourg (1920) and the death of Marie-Eugène

Mathieu, and under the chairmanship of Emile Spielrein, chairman of CIAL Strasbourg, CIAL increased its stake in Banque Mathieu Frères to 100%, thus making Luxembourg's private banking expertise a full partner in CIAL's growth momentum. The Bank's ability to forge partnerships has continued ever since.

Oil crises and diversification: 1972–1987

In the aftermath of the first oil crisis, a period of change and transformation began. In this uncertain climate, business teams partnered even more closely with clients to protect their interests. In 1977, as private banking became increasingly international, especially with German clients, CIAL invited Deutsche Bank, with whom it had historical links, to take a minority stake in Banque Mathieu Frères, which at that point changed its name to Banque de Luxembourg. As investment funds continued to take off in Luxembourg, Banque de Luxembourg launched a professional banking business alongside its private banking business.

The early 1980s proved a difficult period economically. In 1981 the French government decided to nationalise its banks, and CIC and CIAL found themselves in the firing line. Compagnie Financière de Gestion (CFG) was therefore established to meet the demand of an affluent client base with sophisticated needs, and it soon became one of the pioneers of family office business in Luxembourg. Such client focus proved its worth, and both business and trust grew quickly.

Keeping pace with Luxembourg's financial centre: 1988–1999

In 1988, following the success of European investment funds domiciled in Luxembourg, the Bank's services for professional customers flourished. In 1998, the Bank created Fund-Market, an independent investment fund consultancy, as a way to offer its client base access to this new savings solution. At the same time, driven by its reputation in wealth management, Banque de Luxembourg became a recognised private banking player in Luxembourg.

CIAL Luxembourg and Banque de Luxembourg officially announced their merger. To underpin its development, Banque de Luxembourg decided to build a new head office and operate under a single brand. This was when philanthropy and arts and culture sponsorship became one of the Bank's core values, in consonance with the convictions of its senior management.

In 1994 Banque de Luxembourg opened its new offices at 14, Boulevard Royal, in a building worthy of its reputation. Designed by architectural firm Arquitectonica (Miami), it is now one of Luxembourg City's most iconic buildings. At the end of this period, in 1998, the CIC group was taken over by Crédit Mutuel to form one of France's biggest banking

groups. The financial soundness of the Crédit Mutuel-CIC Group, Banque de Luxembourg's shareholder, meant that Banque de Luxembourg had the solid foundations with which to build its business over the long term.

Financial crisis and new service model: 2000–2020

In 2000 Robert Reckinger handed over the reins to Pierre Ahlborn, who was appointed Administrateur Délégué. The handover breathed new energy into the banking institution as it headed towards the 21st century. For Banque de Luxembourg it was the opportunity to take a fresh approach by simultaneously developing its five areas of expertise: private banking, asset management, businesses and entrepreneurs, professional banking, and loans and credits. The quality of Banque de Luxembourg's services impressed the local Luxembourg clientèle, whose wealth had increased significantly over the past two generations.

In 2005 BLI – Banque de Luxembourg Investments was established to bring together the Bank's analytical and management expertise. Today the company wins regular awards for its management quality and performance. Banque de Luxembourg's cautious approach and adaptability meant it was able to protect its clients from the impact of the financial crisis while supporting them through regulatory changes, including the end of tax secrecy.

2010 heralded the start of a new decade of change. In 2011, Banque de Luxembourg expanded its head office at Boulevard Royal and relocated its entire sales force to the new building. In the same year, the Bank opened a new branch in Belgium, which would eventually become its second biggest market. As part of this impetus, the Bank acquired the private banking business of HSH Nordbank Private Banking SA in 2011, Lloyds TSB Bank plc Luxembourg in 2012 and Banque LBLux SA in 2013, further bolstering its position as a leading private banking institution.

A century-old institution looking to the future Banque de Luxembourg's longevity is attributable to its ability to adapt and innovate throughout its history and to the strong foothold it has established in both Luxembourg and Europe. But it is also due to the commitment of a long line of individuals whose core purpose has been to safeguard, grow and pass on a legacy of entrepreneurship from one generation to the next and to build a House of Excellence, decade after decade.

Banque de Luxembourg provides its clients with practical, sustainable solutions to meet their increasingly sophisticated needs. It has become one of Luxembourg's leading banking institutions, having inherited a solid history of values and commitments dating back to 1920. And so today, in a world undergoing so much change, its teams are preparing the next chapters in its history...

In a complex, changing world, we want to remain a pillar of stability and continue to serve our clients with the same conscientiousness and commitment.

Pierre Ahlborn, Administrateur Délégué

100 years: A timeline

1920

Banque d'Alsace et de Lorraine (BAL), the forerunner of Banque de Luxembourg, opens its first branch in Luxembourg.



Banque d'Alsace et de Lorraine, poster by Jean-Jacques Waltz aka Hansi (1920) Private coll./DR

1931

BAL, incorporated into Société Alsacienne de Crédit Industriel et Commercial (SACIC), becomes Crédit Industriel d'Alsace et de Lorraine (CIAL) and establishes CIAL Luxembourg.

1937

Banque Mathieu Frères is founded by Ambroise Jacques and Marie-Eugène Mathieu.



Banque Mathieu Frères, 80 place de la Gare (approx. 1940) © Private coll.

1945

CIAL Luxembourg reopens its doors after the Second World War. Marcel Reckinger is appointed CEO.

1954

Business growth prompts CIAL Luxembourg to build a second building at 103 Grand-Rue, officially opened in 1956.



Marcel Reckinger, director, and Robert Reckinger, deputy director, CIAL Luxembourg (1965) Coll. Banque de Luxembourg

1969

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



Robert Reckinger, François Panosetti and Pierre Birckel, with employees of CIAL Luxembourg (1968) Coll. Banque de Luxembourg

1978

Banque Mathieu Frères changes its name to Banque de Luxembourg.

1981

Compagnie Financière de Gestion (CFG) is founded.



Banque de Luxembourg Board of Directors (1981) Coll. Banque de Luxembourg

1991

CIAL Luxembourg's business is taken over by Banque de Luxembourg.

1994

The new head office of Banque de Luxembourg at 14, Boulevard Royalis officially opened.

1998

The CIC group, to which Banque de Luxembourg belongs, is taken over by Crédit Mutuel Centre Est Europe to become the CM-CIC group.

2000

Pierre Ahlborn becomes Administrateur Délégué of Banque de Luxembourg, succeeding Robert Reckinger, who has been at the helm since 1967.

2002

Banque de Luxembourg becomes a wholly-owned subsidiary of the CM-CIC group.



Robert Reckinger and Pierre Ahlborn (2005) © Gary Matoso

2005

BLI – Banque de Luxembourg Investments S.A. created.

2010

Banque de Luxembourg opens a branch in Belgium and continues to grow commercially with two new private banking centres in Brussels and Ghent.

2020

100th anniversary of Banque de Luxembourg.



Banque de Luxembourg headquarters, boulevard Royal (2017) © Fernando Guerra