

Press Release

Luxembourg and Zurich, 5 June, 2014

Avaloq group and Banque Internationale à Luxembourg announce plans for Business Process Outsourcing centre in Luxembourg

The Avaloq group and Banque Internationale à Luxembourg (BIL) intend to forge a new strategic partnership: The international provider of banking solutions and the bank are planning to join forces to establish the first independent provider of full Business Process Outsourcing (BPO) services in Luxembourg for the Benelux and the French market.

The bank and the international provider of banking solutions today announced that they are in advanced discussions for a joint project to establish, pending amongst other, the closing of the transaction and regulatory approval, the first independent provider of full Business Process Outsourcing (BPO) services in Luxembourg for private and universal banks in the target market Benelux and France. This follows BIL's recent decision to choose the Avaloq Banking Suite as its new core banking system after a thorough selection process.

As Luxembourg's oldest private bank, BIL has always played an active role in the development of Luxembourg's economy and with this decision confirms its intention of actively contributing to the ongoing transformation of the local financial industry. Avaloq, whose presence in Luxembourg goes back to 2007, has always considered Luxembourg as a key market in its strategy. Luxembourg was the first country outside of Switzerland Avaloq set foot in. Today, Avaloq counts 11 customers in Luxembourg that are either using or currently implementing the Avaloq Banking Suite as their comprehensive banking solution.

The goal of the planned strategic partnership is to offer local and foreign private and universal banks a solution to standardise and automate back office processes and to have them operated by a seasoned specialist. As an industry leader in this area, Avaloq understands the importance of fully industrialising back office processes while at the same time driving innovation and differentiation in the advisory area. This enables banks to focus entirely on their front office activities and thus to make a difference in client interaction. The BPO model also serves as the ideal solution for foreign banks wishing to use Luxembourg as an entry point into the European financial market.

The Avaloq group has already successfully implemented this independent BPO model in Switzerland and Germany. BIL and Avaloq are now planning to join forces in order to adapt the business model to the market specific requirements of Benelux and France. Furthermore, Avaloq is currently in the process of building up an international network of BPO centres, which the new BPO centre in Luxembourg would be part of. Further announcements will be made later this year.

Media Information

The latest press releases can be found on:

<http://www.avalog.com/nc/about-us/news/article/news/list/2014/>

<https://www.bil.com/en/corporate/news/Pages/default.aspx>

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About Banque Internationale à Luxembourg

Founded in 1856, Banque Internationale à Luxembourg (BIL) is Luxembourg's oldest private bank. Recognised as a pillar of Luxembourg's financial centre, it plays a key role in the development of the nation's economy. Active in retail, private and corporate banking, as well as on the financial markets, it enjoys one of the best credit ratings in the Luxembourgish banking sector (A-) and is one of the top 3 banks in the country. With more than 2,000 employees, BIL is present in the financial centres of Luxembourg, Singapore (since 1982), Switzerland (since 1984), Denmark (since 2000), the Middle East (since 2005) and Belgium (since 2013).

More information on www.bil.com

About Avaloq: Essential for Banking

The Avaloq group is an international leader in integrated and comprehensive solutions for wealth management, universal and retail banks. It has a reputation for the highest standards in engineering excellence, is passionate about innovation and invests more in R&D than any other provider for the financial industry. The company's meticulous and uncompromising attention to detail has enabled it to achieve a unique 100% success rate in its implementation of banking solutions around the world. The entire Avaloq Banking Suite is consistently designed throughout and delivers unique business benefits to its users as well as strong technical performance. Avaloq is the only independent provider for the financial industry to both develop and operate its own software. Business process and IT outsourcing solutions are offered from Avaloq's BPO centres in Switzerland and Germany. The company employs more than 1,400 highly qualified banking and IT specialists and has a global customer base of more than 100 financial institutions in over 20 countries worldwide, including tier one banks in the most demanding financial centres. Headquartered in Switzerland, Avaloq has branches in Berlin, Frankfurt, Geneva, Hong Kong, Leipzig, London, Luxembourg, Paris, Singapore, Sydney and Zurich. It has development centres in Zurich and Edinburgh as well as a development support centre in Manila.

More information on www.avalog.com