

Luxembourg: A Hub for Corporate Banking in the Heart of Europe



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Executive summary

Luxembourg stands as a dynamic force at the core of Europe's corporate banking sector, seamlessly blending a tradition of stability with cutting-edge innovation and a distinctly pro-business environment. Over the past two decades, the Grand Duchy has demonstrated an impressive trajectory of growth and economic prosperity, evolving into a sophisticated, international corporate banking hub with well-capitalised banks that are deeply integrated into global markets and which offer a full range of corporate banking services.

Its strategic location in the heart of Western Europe, combined with its solid public finances, triple-A credit rating, excellent infrastructure, very high living standards, proximity to major financial centres, and highly skilled and multilingual workforce makes Luxembourg an ideal base for corporate banking operations.

But what sets Luxembourg apart is its ability to combine innovation with trust. It hosts a thriving ecosystem of financial institutions, fintechs, and service providers

within a highly regulated yet business-friendly environment. Regulatory bodies ensure strong compliance standards while remaining agile enough to accommodate emerging financial trends, while the financial centre's strong commitment to sustainable finance further enhances its strategic advantage.

All in all, there are five key enablers that make Luxembourg an ideal hub for corporate banking services:



1

Regulatory stability and governance

Luxembourg's well-established legal and regulatory framework provides corporate actors with predictability, investor protection, and confidence in long-term operations. It is particularly attractive for firms seeking a low-risk jurisdiction for all corporate banking services from Luxembourg, from working capital financing and treasury and payment solutions, to structured finance and syndicated loans, as well as cross-border transaction capabilities.

2

Robust risk management and prudential oversight

Luxembourg-based institutions exhibit strong risk governance frameworks and benefit from cross-border regulatory cooperation, allowing them to manage capital, liquidity, and market risks effectively, especially crucial for multinational firms managing complex portfolios.

3

Local expertise and financial ecosystem

The presence of highly specialised talent, multilingual professionals, and a dense concentration of global banks, law firms, and advisory players creates a mature ecosystem that facilitates sophisticated deal-making, corporate finance, and structuring.

4

Advanced innovation and digital integration

The integration of cutting-edge financial technologies and a thriving fintech ecosystem enable banks in Luxembourg to offer efficient, digital-first corporate banking services. The country is increasingly positioning itself at the forefront of blockchain, regtech, and digital assets within the EU.

5

ESG commitment

Luxembourg is actively evolving as a sustainable finance hub, leading in green bonds and ESG-aligned banking. The government's strategic vision, alongside growing corporate banking innovation, supports long-term competitiveness and alignment with EU-wide sustainability mandates.



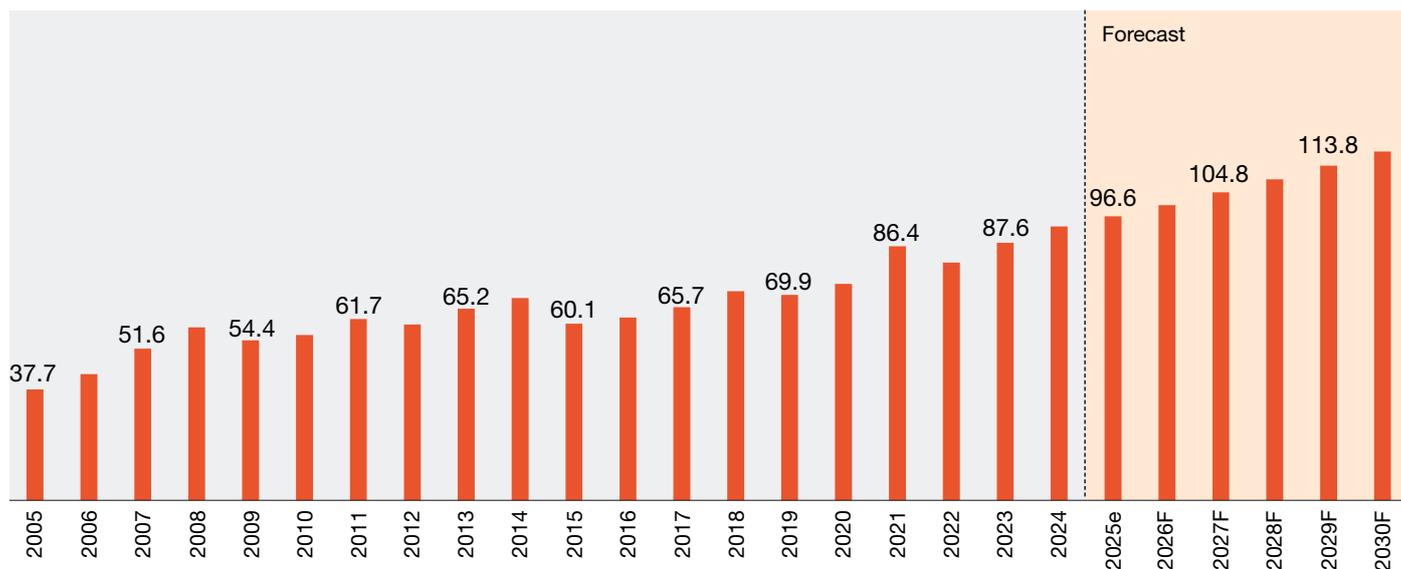
Market analysis and competitive advantage

Despite its modest size, the Grand Duchy of Luxembourg is far more than just a picturesque European country that played a key role in the formation of the European Union. Beyond its scenic landscapes and charming medieval towns, Luxembourg is a dynamic hub of innovation, finance, and multiculturalism, with an influence on European policymaking and global finance that far exceeds its geographic footprint.

A story of growth, prosperity and stability

For starters, Luxembourg’s growth story over the last two decades has been a resounding success, with its GDP growing from US\$ 37.7bn in 2005 to an estimated US\$ 96.6bn in 2025 (Figure 1).

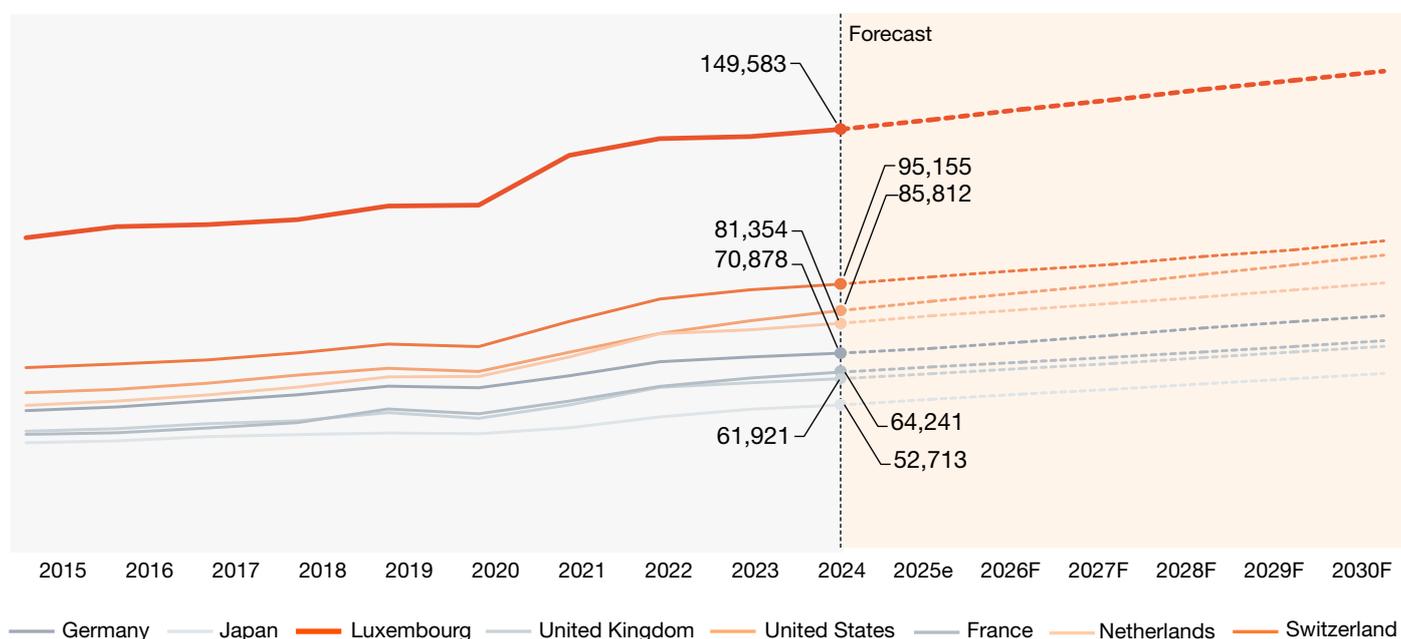
Figure 1. Evolution of Luxembourg’s GDP (Current prices, US\$ bn)



Source: IMF

Despite the many macroeconomic, geopolitical and climate-related threats looming on the horizon, the country has maintained a longstanding tradition of political stability and social dialogue, which has helped lead to exceptionally high levels of wealth. As Figure 2 shows, Luxembourg boasts one of the highest GDP per capita rates in the world.

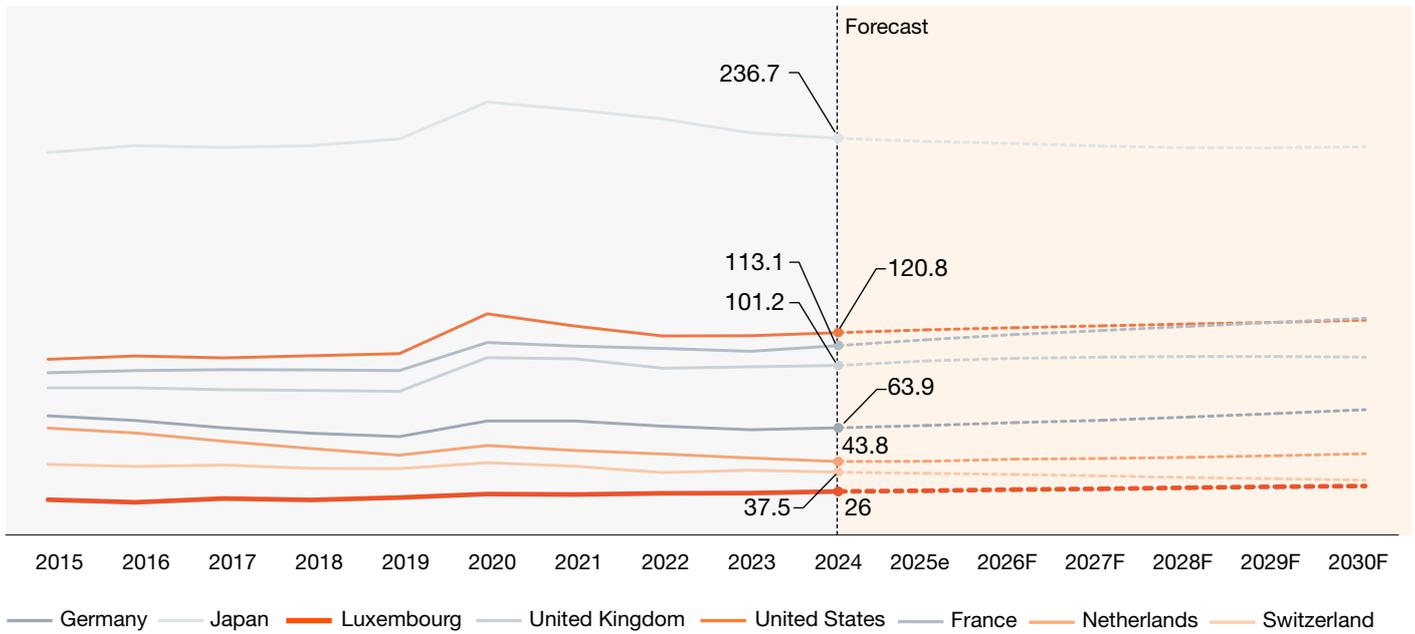
Figure 2. GDP per capita (Purchasing Power Parity, US\$)



Source: IMF

Moreover, as Figure 3 shows, Luxembourg has managed to maintain a very low public debt-to-GDP ratio thanks to prudent and well-designed fiscal policies.

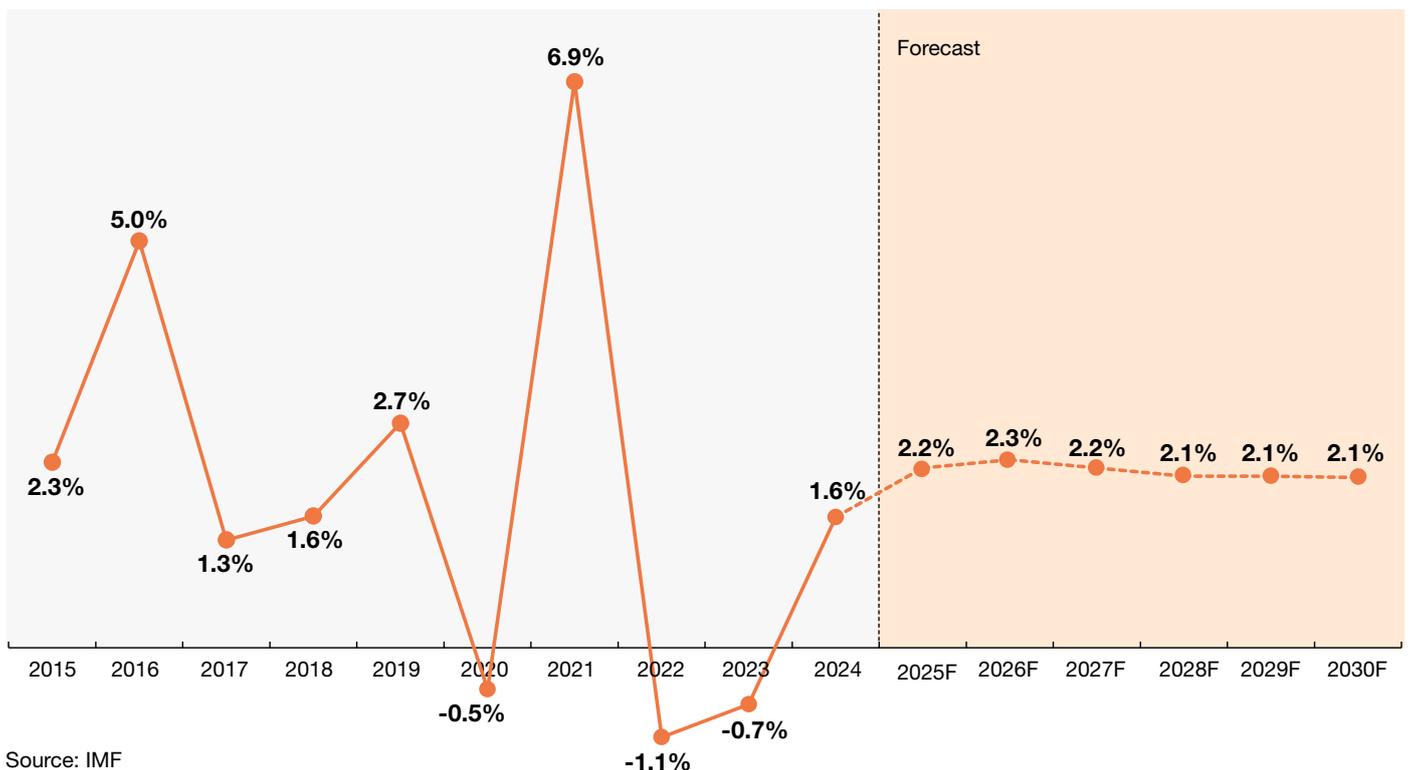
Figure 3. Debt-to-GDP ratio of Luxembourg and other advanced economies (in percentage)



Source: IMF

Such policies, alongside the aforementioned tradition of political stability and social dialogue, have helped set the foundation for a stable annual growth rate for the coming five years (Figure 4).

Figure 4. Luxembourg real GDP growth



Source: IMF



For over 50 years, J.P. Morgan strategically has operated corporate Banking activities in Luxembourg, recognising the country's pivotal role as a financial hub in Europe. Luxembourg's stable political and economic climate, along with its highly skilled workforce, has helped facilitate our organic growth in the market. Establishing a local hub aligns with our commitment to proximity with our clients, enabling us to deliver exceptional services. This strategic location serves as a booking center for core cash and treasury services, which is integral to the Commercial and Investment Bank (CIB) franchise and is fully integrated into our corporate banking value proposition."

Sara Berujon, JPMSE Luxembourg Branch, Payments Country Head

Box 1. Credit ratings agencies' views on Luxembourg



For decades, Luxembourg has consistently earned top marks from all three major credit rating agencies, maintaining a coveted AAA rating with a stable outlook. This enduring confidence reflects successive governments' prudent and disciplined approach to public finance management, managing to keep public debt low and budgetary policies tightly controlled despite a myriad of exogenous shocks (e.g. the COVID-19 pandemic, the Russian invasion of Ukraine). The Grand Duchy's fiscal stability is a testament to its long-standing tradition of careful economic stewardship and forward-looking governance.

Table 1. Luxembourg's credit rating according to the major credit ratings agencies

Agency	Rating	Rating held since	Outlook
Moody's	AAA	1999	Stable
Fitch Ratings	AAA	1994	Stable
S&P Global	AAA	1994	Stable

Source: IMF, Moody's, Fitch Ratings, S&P Global



The AAA rating of Luxembourg enhances market perception and trust, which is particularly important for structured financing transactions and cash management services. Clients and counterparties feel confident working with a bank headquartered in a AAA-rated jurisdiction. This reputation reinforces Luxembourg's status as a safe, stable environment for business operations."

Abigail Bustamante, Head of Syndications, Leverage & Structured Finance at Bank of China (Europe) S.A.



Natixis is expanding its Commercial and Investment Banking (CIB) services through its Luxembourg subsidiary, with an emphasis on serving both global and local clients with Capital Markets and tailored financial solutions that meet their specific needs. This strategic move is driven by Luxembourg’s strong regulatory framework, political stability and strong financial ecosystem, which are increasingly attractive for conducting business with a diverse range of clients.”

Damien Chapon, CEO of Natixis Corporate and Investment Banking Luxembourg

The emergence of a global financial hub

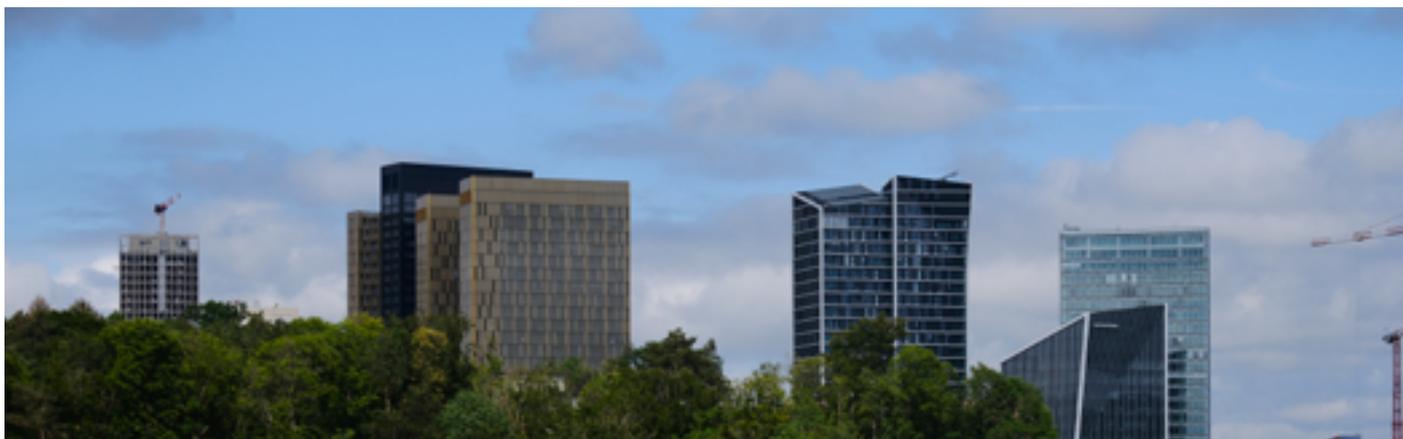
This growth and these promising prospects have been primarily driven by the country’s financial services sector, commonly known as the ‘Luxembourg financial centre,’ which has become a global financial hub by combining stability with innovation, tradition with agility. At the heart of this success lies the Haut Comité de la Place Financière (HCPF), a strategic steering committee chaired by the Ministry of Finance whose mission is to define long-term strategic priorities, ensure coordination across sectors, and respond with agility to global challenges ranging from regulatory change and technological disruption to sustainability and international taxation.

By bringing together key stakeholders – the Ministry of Finance, supervisory authorities, and representatives of banking, investment funds, insurance, and other financial professions – the HCPF embodies Luxembourg’s distinctive approach: building the future of its financial sector through structured, institutionalised dialogue between public authorities and private industry leaders.

This governance model is unique in Europe. While other jurisdictions may organise ad-hoc consultations, Luxembourg has established a permanent platform that guarantees continuity, transparency, and rapid decision-making. The HCPF ensures that the financial centre speaks with one coherent voice at the European and global level, strengthening the country’s credibility and attractiveness.

Thanks to this framework, Luxembourg is able to react swiftly to crises, anticipate global trends, and develop pioneering initiatives – whether in sustainable finance, fintech, or cross-border wealth management. The country’s small size is an advantage: decision-makers are close to industry, dialogue is direct, and outcomes are concrete.

The HCPF illustrates Luxembourg’s broader economic and legal philosophy: a stable and reliable jurisdiction, deeply anchored in the EU, yet flexible and responsive to the needs of international investors. This balance between predictability and innovation has positioned Luxembourg as a hub for global finance, consistently ranked among the world’s most open and dynamic economies.



In an era where financial centres must adapt quickly, the HCPF demonstrates that public-private partnership is not just a slogan in Luxembourg – it is an institution. It is one of the reasons why international investors, asset managers, and financial institutions continue to choose Luxembourg as their European home.

Box 2. The ABL's role in the HCPF



As part of its advocacy mission, the Luxembourg Bankers' Association (ABBL) plays an active role in several HCPF working groups, including Banking, Capital Markets, Sustainable Finance, Digital Finance, and Competitiveness. Through this involvement, the ABBL contributes to shaping strategic initiatives aimed at strengthening Luxembourg's financial ecosystem.

Acting as the collective voice of Luxembourg's banking and financial industry, the ABBL, notably through its active role in the HCPF, contributes to shaping strategic policy discussions, fostering public-private collaboration, and promoting the long-term competitiveness and innovation of the financial centre, to ensure that regulatory and legislative frameworks reflect the practical needs and realities of its members.

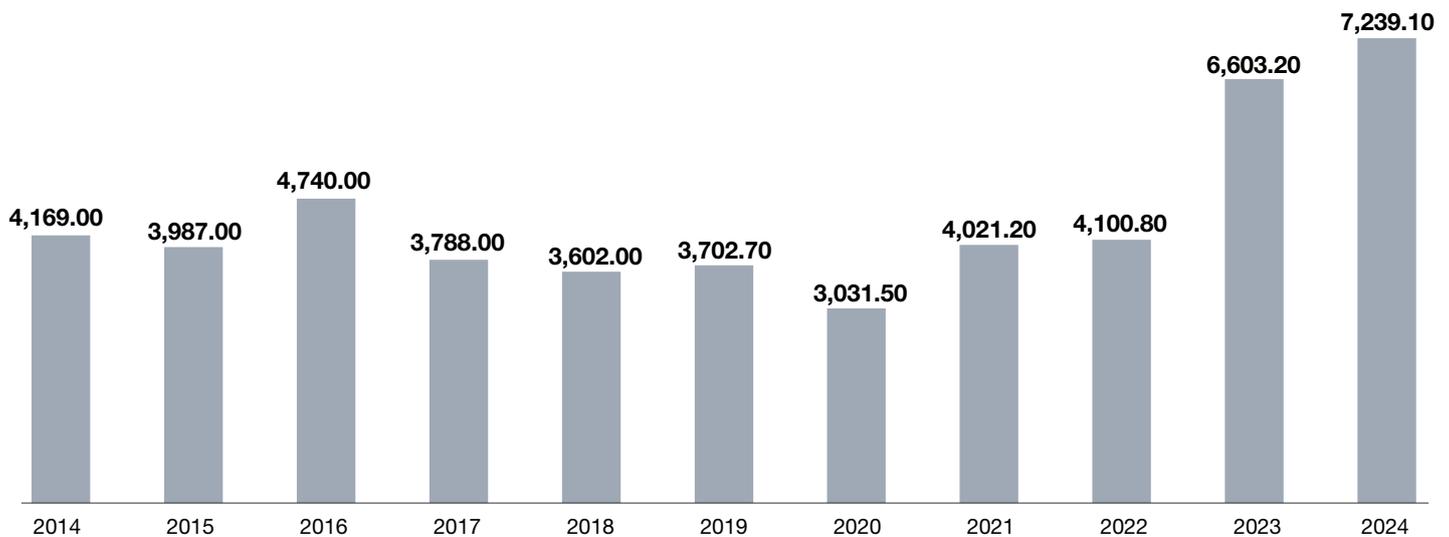


Rediscovering a strategic pillar: Banking

While the funds industry in Luxembourg rightly gets lauded for its achievements – Luxembourg is the second largest domicile for investment funds in the world, after the United States – the country’s banking sector is not to be overlooked or underestimated. As a matter of fact, the sector is large, well-capitalised and international, with many of the world’s largest banking groups maintaining significant operations in Luxembourg, using it as a booking centre for international loans, treasury and corporate finance activities.

A quick glance at the net profits achieved by credit institutions in the country gives an idea about how well the sector is faring: As Figure 5 highlights, net profits have surged in recent years, reaching EUR 7.2bn in 2024 – up from EUR 3.0bn in 2020. With corporate banking revenues estimated to make up around 35% of total banking revenues in Luxembourg in 2023,¹ it is not for no reason that corporate banking has been called the ‘jewel of Luxembourg’s financial centre,’² albeit a jewel that remains ‘little-known.’³

Figure 5. Net profit of credit institutions in Luxembourg (in EUR mn)



Source: CSSF

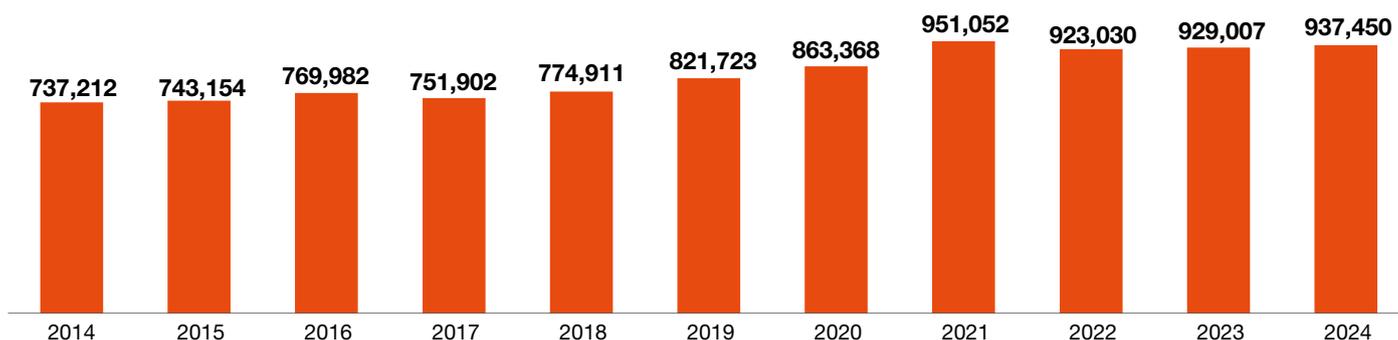
1. PwC and ABBL. 'A New Era of Corporate Lending: Corporate Banking Survey 2023.' <https://www.pwc.lu/en/banking/docs/corporate-banking-survey-2023.pdf>

2. PwC and ABBL. 'Corporate Banking Survey 2022.' <https://www.pwc.lu/en/banking/docs/corporate-banking-survey-2022.pdf>

3. Fassone, M. 'Corporate banking makes gains, reached €3bn in revenue,' Delano, 6 April 2022. <https://delano.lu/article/corporate-banking-makes-gains->

This rapid increase in net profits has been accompanied by a commensurate growth in banks' balance sheets, with a notable uptick in 2021. As Figure 6 shows, the banking sector's balance sheet total reached EUR 937.4bn in 2024, up from EUR 737.2bn in 2014 (Figure 6).

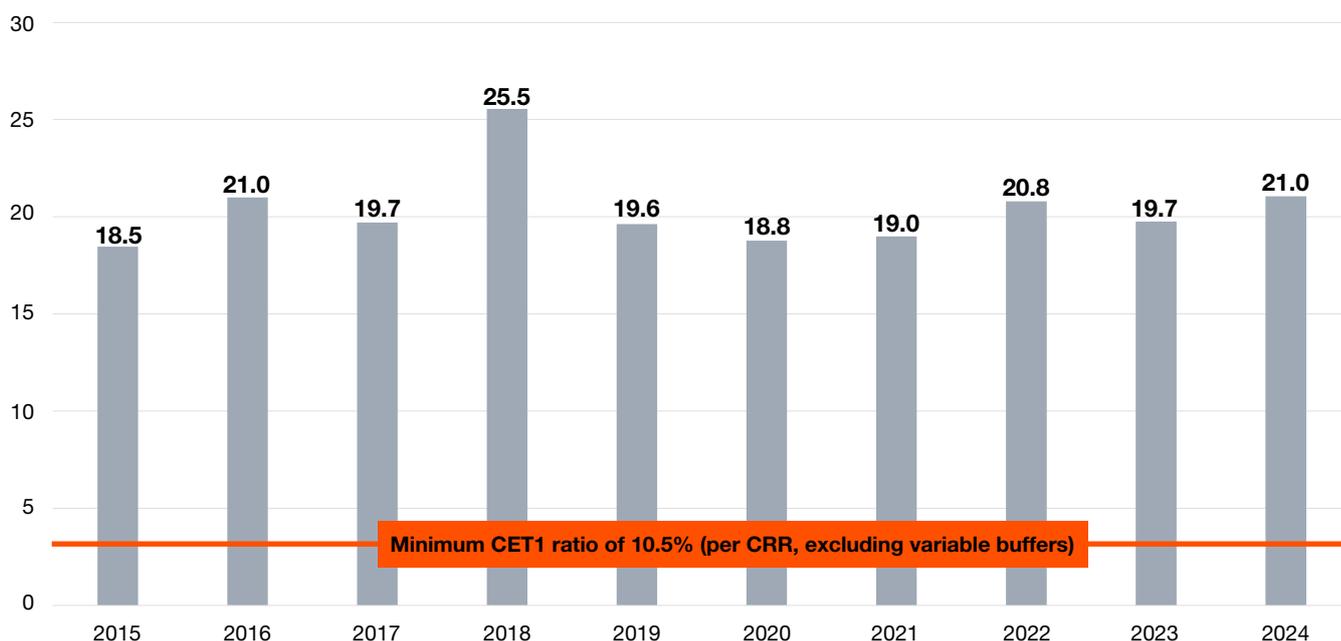
Figure 6. Balance sheet total of credit institutions in Luxembourg (in EUR mn)



Source: CSSF

Luxembourg's banking sector is known for its prudent and risk-averse approach, as banks consistently register high prudential ratios. This growth has been accompanied by a parallel increase in banks' CET1 ratios. As Figure 7 highlights, the average CET1 ratio of the significant credit institutions in the country has been comfortably above the minimum set by the Basel III Accords at least since the European Banking Union was formally established in the mid-2010s.

Figure 7. CET1 ratio of significant credit institutions in Luxembourg



Note: The earliest available Euro Area-wide data on CET1 ratios is for 2015.

Source: ECB

Capital adequacy

23%

The average capital ratio of the whole banking sector stood at 23% in 2024, remaining largely above the regulatory threshold (exclusive of variable buffers) set at 10.5%.

Short-term liquidity ratio

244%

As at 31 December 2024, the weighted average of the liquidity coverage ratio (LCR) of the banking sector in Luxembourg amounted to 244%, well above the minimum regulatory threshold of 100%.

Net stable funding ratio

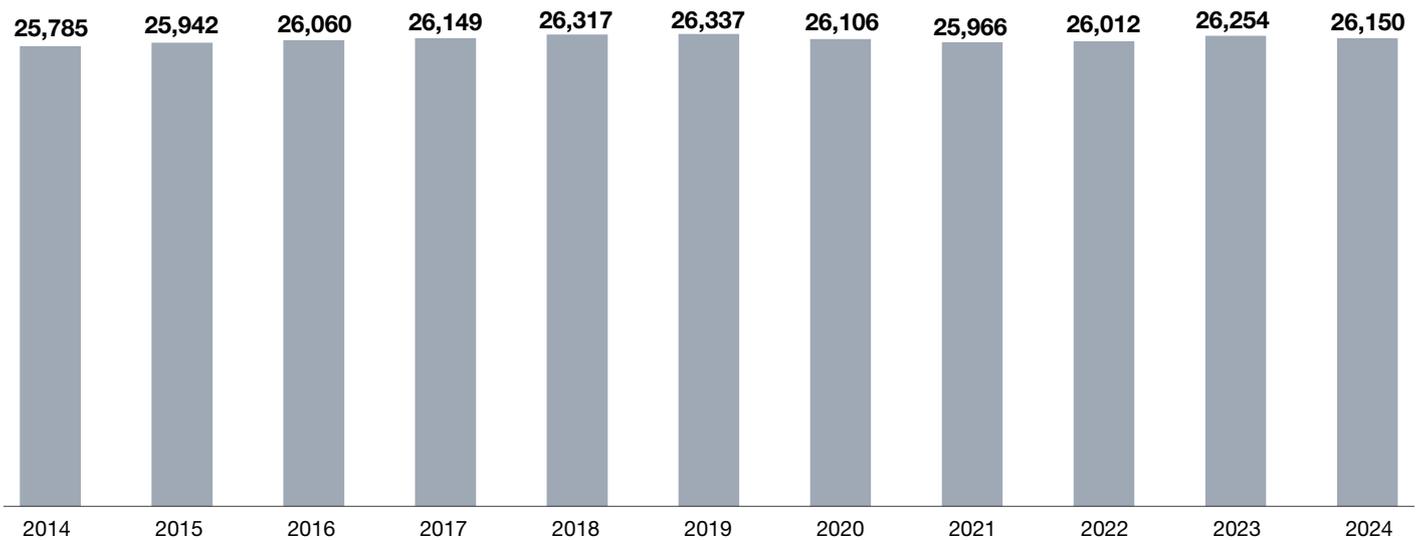
155%

The weighted average of the net stable funding ratio (NSFR) of the banking sector in Luxembourg amounted to 155% as at 31 December 2024, while the regulatory threshold is set at 100%.

Source: CSSF Annual Report 2024

When it comes to the number of employees, the Luxembourg banking sector saw gradual growth between 2014 and 2019, with the total number increasing from 25,785 to 26,337. Despite declining slightly during the COVID-19 pandemic (2020-2021), the number rebounded in 2023, and reached 26,150 in 2024 (Figure 8).

Figure 8. Total number of employees employed by credit institutions



Source: CSSF annual reports from 2014 to 2024



By concentrating Corporate and Institutional Banking (CIB) expertise in Luxembourg, banks enable treasurers to execute financing and investment strategies within one of Europe's most secure and innovation-driven financial centres.”

François Masquelier, Chair of the Luxembourg Corporate Treasury Association (ATEL) and Chair of the European Association of Corporate Treasurers (EACT)

Luxembourg's position as a leading international financial hub has shaped the unique profile of its corporate banking sector. Many banks play a vital role in servicing the wide array of investment vehicles and fund structures domiciled in the country, offering financing solutions and tailored services to asset managers and institutional investors. Beyond this, corporate banks are often directly engaged in asset management activities, reflecting Luxembourg's integrated approach to investment and wealth management.

These banks also support corporates by providing the full suite of traditional banking services, including working capital financing, treasury solutions, and payment services.

On the global side, nearly every significant banking group has a presence. Several European giants have subsidiaries in Luxembourg, such as BNP Paribas, Deutsche Bank, Société Générale, Intesa Sanpaolo, HSBC and ING. Moreover, seven major Chinese banks – including Bank of China and Industrial and Commercial Bank of China – have set up their EU hubs in the Grand Duchy.⁴ As for American banks, J.P. Morgan has had a presence in Luxembourg for over half a century, while Bank of America has recently opened its Luxembourg branch whose activities will have a strong corporate banking dimension.⁵

These banks typically engage in corporate lending, cash management, trade finance, and treasury services for multinational clients, while also providing other services such as private banking and asset management solutions.



Bank of America has always made it a priority to be wherever our clients need us, and we opened our Luxembourg branch in 2023 to meet the demands from large corporates and financial institutions for our industry-leading cash management capabilities. In our first year, we nearly doubled the number of accounts and clients we've onboarded. We've also become an active presence in the local business community, as a gold member of AmCham Luxembourg and a key sponsor of events like the ATEL Spring Conference. We're very pleased by the warm reception we've received from clients and the broader financial services community and are looking at further expanding our local footprint to support the ambitious plans and aspirations of the companies we're privileged to work with here."

Benoit Nevouet, Managing Director, Global Payments Services, Bank of America Europe DAC (Luxembourg Branch)

4. Luxembourg for Finance. 'Renminbi Business: China's Bridge to Europe and the World.' <https://www.luxembourgforfinance.com/en/financial-centre/renminbi-business/>

5. Bank of America. 'Bank of America Opens Luxembourg Branch.' 10 May 2023. <https://newsroom.bankofamerica.com/content/newsroom/press-releases/2023/05/bank-of-america-opens-luxembourg-branch.html>





Deutsche Bank in Luxembourg, as a significant and successful subsidiary of Deutsche Bank Group, is strengthening its local presence and expanding its product offering. So far, our business model was to predominantly serve clients worldwide out of Luxembourg. Now we also want to do more business with clients in the Grand Duchy itself. ”

Dr. Daniel Zapf, CEO of Deutsche Bank Luxembourg S.A.

Alongside these global players, the corporate banking landscape in Luxembourg is also dotted by strong domestic banks and regional specialists. These include Spuerkeess (BCEE), the state-owned universal bank, alongside Banque Internationale à Luxembourg (BIL), one of the oldest banks in the country with a network in Luxembourg and Switzerland, as well as Raiffeisen Luxembourg, a cooperative bank active with small and medium-sized enterprises (SMEs).

Lastly, while not a traditional bank, Clearstream – as a leading international securities depository based in Luxembourg – provides essential infrastructure that supports banks’ financing operations.

As a whole, the banking sector in Luxembourg is robust and well-endowed to face the challenging times ahead. Corporate banking is a core element of the sector, and the wide variety of institutions active in the country means that corporate clients can find expertise for any need.

Beyond the financial centre

Situated in the very heart of Western Europe, Luxembourg offers numerous geographic and strategic advantages for banks.

For starters, its proximity to major financial centres (e.g., Paris, Frankfurt, Brussels, London) allows for easy access to clients and markets across Europe. The country’s top-notch infrastructure and excellent connectivity makes it an ideal base for regional operations. Since 2020, all public transportation in the country (trains, buses and tramway) is free, further improving mobility for commuters and professionals.

For corporate banks, this central location means fast access to key EU markets and the ability to service multinational clients efficiently. Being in the Euro Area with full EU single market access also ensures that banks in Luxembourg can passport services across the EU under common regulations.

But beyond the high-quality infrastructure and geographic proximity to key financial centres, another one

of Luxembourg’s greatest assets is its human capital. While the financial centre’s workforce is highly skilled, what makes it truly stand out is its international character. Indeed, the Grand Duchy attracts talent from across Europe and beyond as many are drawn to the promising career opportunities that abound as well as to the unmatched quality of life.

As a result, cosmopolitanism is the norm in Luxembourg: In 2024, only one in four employees was a Luxembourg national, while nearly half (47%) were cross-border workers who commuted from Belgium, France and Germany for work.⁶ Professionals in the financial centre are not only very productive – each employee is estimated to have generated EUR 236,000 in gross value added in 2024 (compared to the national average of EUR 97,000)⁷ – but commonly speak at least 3 languages, allowing financial institutions to seamlessly service diverse international clients effectively from the Grand Duchy.

6. STATEC. ‘Panorama of the Luxembourg labour market on May 1st.’ Regards 01/25. <https://statistiques.public.lu/en/publications/series/regards/2025/regards-01-25.html>

7. Luxembourg for Finance. ‘A decade of growth and diversification.’ 1 August 2025. <https://www.luxembourgforfinance.com/en/news/a-decade-of-growth-and-diversification/>

When it comes to corporate banking, this linguistic and cultural fluency facilitates complex cross-border transactions, treasury operations, and corporate finance activities. As such, banks benefit from a talent pool that is uniquely equipped to navigate international regulatory landscapes and deliver tailored solutions to global clients, making Luxembourg a strategic choice for banking operations in Europe and beyond.



We have a very experienced and skilled team in Luxembourg that has been with us for many years. This commitment to Luxembourg allows us to build upon many years of experience. But we are also attracting new talent and have been hiring from around the world. Our staff base consists of 40 different nationalities and our colleagues are fluent in 34 languages. This is a reflection of the international character of the financial marketplace in Luxembourg and is, of course, very much benefitting our international cross-border business.”

Dr. Daniel Zapf, CEO of Deutsche Bank Luxembourg S.A.

Box 3. More than just a cosmopolitan melting pot



With a very high ranking in United Nations Development Programme (UNDP)’s Human Development Index, the three core dimensions of human development can be easily achieved in Luxembourg: a long and healthy life, access to knowledge, and a decent standard of living.

When it comes to education, newly-launched free public international schools throughout the country are helping expatriates better settle in Luxembourg, while the University of Luxembourg, launched only in 2003, is rapidly cementing its position as a well-funded premier international hub for knowledge and research. The country also enjoys state-of-the-art digital infrastructure, ranking among the top in Europe for high-speed broadband coverage and 5G penetration, thanks to a national strategy for ultra-high-speed networks completed in the 2010s. Physical infrastructure is equally impressive: a reliable electricity grid, plentiful modern office space, and excellent conference facilities enable seamless business operations.

Moreover, nature enthusiasts will be fascinated by Luxembourg’s rich natural heritage of forests, rivers, lakes and parks waiting to be discovered. The cycling network is continuously expanding, with the government aiming to reach 950km tracks in the coming years.

These factors are key in attracting and retaining skilled finance professionals.





Beyond basic corporate banking, Luxembourg offers sophisticated agency, trust, and escrow services, which are essential for capital market transactions and structured finance deals. Moreover, Luxembourg is often used for pan-European securitisations, sustainable bond frameworks, and other capital markets innovations such as distributed ledger technology. Banks located here are well-positioned to support those structures.”

Luxembourg Stock Exchange

Supporting the financial centre is a dense ecosystem of financial service providers who play a crucial role in corporate banking activities. These include major consultancy firms which advise banks on everything from regulatory compliance to digital transformation, as well as leading law firms whose experts in banking and finance law facilitate loan agreements, securitisations, and corporate restructurings. Indeed, many complex international financing deals are structured under Luxembourg law due to the concentration of legal expertise.

Moreover, several firms provide custody and administration services which are very relevant as corporate banking in Luxembourg often intersects with the asset management industry (e.g. servicing investment funds that need banking services).

As Luxembourg is one of the three official capitals of the EU, it is home to several EU institutions, most notably the European Investment Bank (EIB), the European Investment Fund (EIF) and the European Stability Mechanism (ESM). This has spillover benefits as many finance professionals in Luxembourg have done stints at these institutions or collaborate with them on co-financing projects and credit guarantees. It adds a public-sector element to the talent pool.



The Luxembourg ecosystem provides access to both local and international expertise, which has been instrumental in advancing our corporate banking offerings. The presence of key service providers in areas such as regulatory advisory, ICT governance, legal, accounting, and tax has created a supportive and highly professional environment for business development.”

Intesa San Paolo Luxembourg S.A.

As a whole, for financial institutions, tapping into Luxembourg’s local expertise means gaining a team that has seen a broad range of international banking scenarios and can navigate complex cross-border financial operations. The collaborative, multicultural and international spirit in Luxembourg’s financial centre also facilitates quicker business introductions and problem-solving.

In summary, the Luxembourg financial centre offers compelling advantages for corporate banking: a stable and growing economy, an extraordinary international breadth of banks, strategic access to Europe, an outstanding infrastructure and living environment, and a mature and comprehensive financial ecosystem.

2



Regulatory, tax, political and legal landscape

Luxembourg's regulatory landscape is firmly aligned with European and international banking standards, providing confidence that operations in Luxembourg meet the highest compliance requirements. This means that banks in Luxembourg are supervised to the same rigorous standards as in other financial centres in the EU. The EU Single Rulebook is applied uniformly, ensuring consistency in prudential rules, capital adequacy, and risk management.

The Commission de Surveillance du Secteur Financier (CSSF) serves as Luxembourg's financial regulatory authority, supervising a wide range of financial entities, including banks. It ensures banking sector integrity, credibility and resilience by prudentially supervising the entire system and guiding its actors with public answers to FAQs. Moreover, it enforces compliance with international best practices through circulars forming the core

practical dispositions to which professionals of the financial sector must adhere.

However, what distinguishes the CSSF from other regulatory authorities is its proactive, efficient, accessible and pragmatic approach. Generally speaking, financial institutions view working with the CSSF as a constructive and mutually beneficial endeavour. Here are the major differentiators of the CSSF:

- 1 Forward-thinking**

The CSSF actively engages with emerging financial technologies and business models. Through its Innovation Hub, the CSSF offers a dedicated point of contact for entities developing innovative financial products and services. This initiative facilitates open dialogue, allowing market participants to discuss regulatory expectations and seek guidance on compliance matters.
- 2 Principle of technological neutrality**

The CSSF is fully aware of the rapid evolution of financial technologies, and adopts a neutral stance towards them to ensure that similar services and activities are subject to the same rules and risks, regardless of the underlying technology. Such an approach fosters innovation while maintaining market integrity.
- 3 Agility**

The CSSF demonstrates agility in updating its regulatory framework to accommodate new financial instruments, services and technologies. For instance, it has issued guidance on emerging areas such as robo-advisory services and crowdfunding platforms, providing clarity to market participants and encouraging the development of these sectors within a well-defined regulatory environment.
- 4 Collaboration**

The CSSF engages with various stakeholders, including financial institutions, industry associations, and other regulatory bodies, to ensure a cohesive supervisory environment. This collaborative stance enhances the effectiveness of regulatory oversight and supports the growth of Luxembourg's financial sector without compromising market integrity.
- 5 Managing complexity**

The CSSF demonstrates robust oversight of complex financial entities and excels in managing multi-jurisdictional situations through a combination of agility, collaboration, and technological neutrality. Its supervisory framework integrates both offsite and onsite inspections, allowing for tailored risk-based assessments across diverse financial institutions.

As such, the CSSF strikes a good balance by ensuring a strict adherence to European and international norms coupled with careful local calibration, which results in a stable yet business-friendly regulatory environment that banks operate in.

The Grand Duchy's central bank, Banque Centrale du Luxembourg (BCL), also plays a role in ensuring financial stability by handling monetary policy responsibilities, overseeing liquidity in the banking sector, and regularly publishing banking-related statistics.

But apart from the regulatory environment, Luxembourg also hosts an appealing legal and tax system that make it an attractive jurisdiction for corporate banking activities. For

instance, a new tax regime to attract top international talent was recently introduced, whereby expatriates who earn a gross annual salary of at least EUR 75,000 can benefit from a 50% tax exemption on a portion of their salary, up to EUR 400,000 gross per year, provided they meet certain conditions.⁸ Moreover, to help businesses remain competitive and adapt to the future, a law was introduced in late 2023 that introduces an 18% tax credit for investments and operating expenses connected with digital and ecological transformation.⁹

These are just two recent examples that illustrate why Luxembourg is an attractive jurisdiction when it comes to tax matters.



Luxembourg has long been known for efficient and legally compliant tax structuring opportunities, making it attractive for multinational businesses. Companies are able to optimise tax positions while maintaining regulatory compliance, which adds to the jurisdiction's appeal. When ensuring that there is an adequate and sufficient business substance in Luxembourg, companies are able to enjoy tax benefits tax structuring opportunities.”

Abigail Bustamante, Head of Syndications, Leverage & Structured Finance at Bank of China (Europe) S.A.



Luxembourg offers a highly stable legal and regulatory framework, underpinned by a AAA-rated sovereign and a proactive financial supervisor (CSSF). This gives corporate clients confidence in setting up operations here.

Luxembourg Stock Exchange

8. LFF. 'Relocation and Tax: A Long-term perspective.' 23 July 2025. <https://www.luxembourgforfinance.com/portfolio/relocation-and-tax-a-long-term-perspective/>

9. Luxembourg for Finance. '2025 Tax Measures: Boosting Luxembourg's Financial Hub.' 12 December 2024. <https://www.luxembourgforfinance.com/en/news/tax-measures-for-2025-strengthening-luxembourgs-global-financial-hub/>

Figure 8. Policies enacted or soon-to-be enacted by the government to support the financial centre

	POLICY	DETAILS
	Improve financial education	Education reforms to introduce new finance-focused courses in school as well as new master's degrees.
	Align business taxes with OECD average	In December 2023, the parliament voted to approve a law transposing Directive 2022/2523 on ensuring a global minimum level of taxation for multinational enterprise groups and scale domestic groups in the EU.
	Support companies in their digital transformation and ecological transition	Tax incentives and SME support packages launched to help companies in their ecological transition and boost digitalisation, AI and cybersecurity in Luxembourg.
	Review the subscription tax of sustainable funds	The government will review the impact of lowering the subscription tax for sustainable funds but will wait for new EU rules before acting.
	Promoting Luxembourg as a global centre for sustainable finance	In February 2025, LSFI launched the Sustainable Finance Strategy 2030 to promote sustainable finance through knowledge sharing, collaboration, and data-driven progress.
	Strengthen regulations for alternative funds and crypto-assets	In February 2025, Luxembourg aligned its legal framework with EU standards by implementing MiCA for crypto-assets and integrating ELTIF 2.0 requirements into national law.
	Promote blockchain R&D	Luxembourg strengthened its leadership in blockchain finance with Blockchain Law IV and Europe's first tokenised UCITS fund.
	Transformation of the Société Nationale de Crédit et d'Investissement	The government aims to transform SNCI, a public-sector bank, to boost digital and ecological transitions. In February 2024, Eva Kremer became director, tasked with expanding SNCI's activities and developing financial tools for Luxembourg's private sector.
	Combatting economic and financial crimes	The government will increase budget allocations to judicial and law enforcement authorities so as to better combat money laundering and will consider a partial reform of the country's current anti-money laundering (AML) system and structures.
	Strategically position Luxembourg's financial centre in EU regulatory development	When it comes to transposing EU Directives, the government will abide by the "all of the directive, nothing but the directive" principle.



The Luxembourg government recognises the importance of the financial sector as the biggest GDP contributor and has an open door policy. When it comes to legislation, Luxembourg is quick and pragmatic in adopting EU directives or passing relevant laws thereby keeping an open ear to the needs of the sector. The regulator (CSSF) is very effective and, at the same time, business-minded with a deep understanding of the financial marketplace. All key stakeholders in Luxembourg are approachable and distances are short. This makes a difference day-to-day.”

Dr. Daniel Zapf, CEO of Deutsche Bank Luxembourg S.A.



As for Luxembourg’s civil law-based legal system, it is highly regarded for its predictability and for the protections it offers to investors. There is a tradition of responsiveness to industry needs: when new types of transactions or vehicles are needed, lawmakers often adapt the legal framework, while judicial institutions are efficient and experienced in complex financial cases, adding to the overall sense of legal security.

Should we take only one example, since the entry into force of the Luxembourg law of 5 August 2005 on financial collateral arrangements, Luxembourg offers lenders robust security packages that enable them to meet the sophisticated security requirements they expect. The collateral law provides for flexible and comprehensive collateral arrangements over financial instruments (such as shares, claims, or bank accounts), enabling same-day enforcement while providing contractual freedom for parties to determine trigger events for enforcing security without the need to formalise or carry out enforcement through courts.

The Collateral Law protects security arrangements from insolvency proceedings and potential clawback actions. Under this regime, security interests remain enforceable against insolvency officials and third parties during restructuring or liquidation processes, regardless of the place where such proceedings are opened. Additionally, pledged assets are ring-fenced from the debtor’s insolvency estate, while the protective benefits extend to cross-border arrangements involving Luxembourg entities under foreign legal frameworks.

Furthermore, Luxembourg's professional secrecy laws, codified in its Criminal Code, make the unlawful disclosure of private data a criminal offense, reinforcing trust in its financial system. And speaking of data, Luxembourg is committed to stringent data protection and privacy standards, as the country effectively implements the General Data Protection Regulation (GDPR) to ensure transparency and accountability in data processing.



The collateral law has been tested for 20 years and continues to offer contractual flexibility, full certainty and speed in enforcement processes. This combination of creditor-friendly legal framework and procedural efficiency makes Luxembourg both an ideal jurisdiction for structuring complex cross-border financings and a preferred litigation venue for sophisticated international financing transactions.”

Matthieu Taillandier, Partner at Arendt & Medernach S.A.

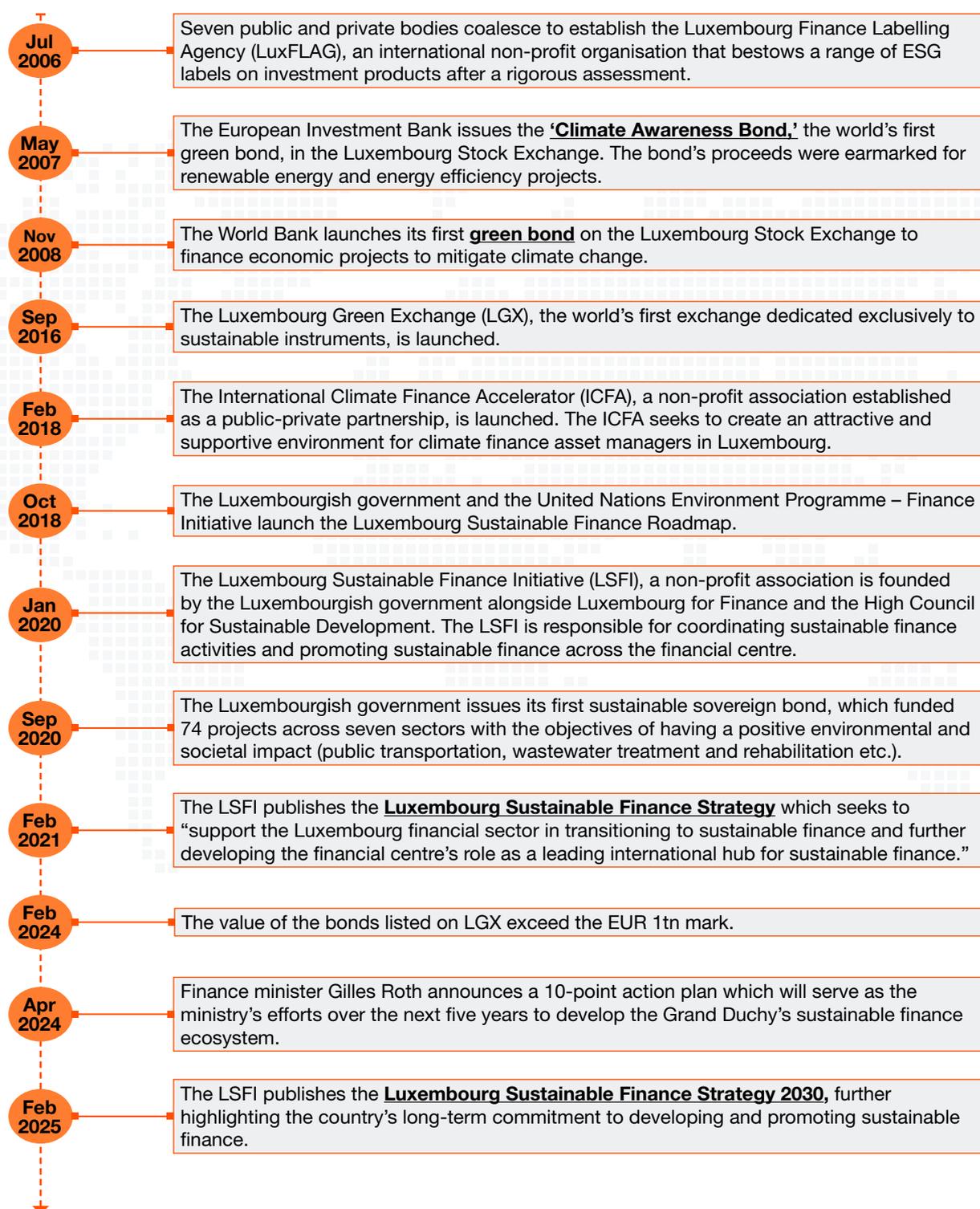
In summary, Luxembourg's regulatory landscape offers the best of both worlds: strict adherence to the highest international standards coupled with a collaborative, forward-looking approach that makes it easier to do business. Alongside an attractive tax environment, long-standing political stability buttressed by a pro-business government, and an efficient judicial system that offers strong investor protections, it is hard to find a better place in the EU where corporate banking activities can take place.



3

A hub of sustainable finance

From pioneering sustainable labels for investment products to launching the world's first-ever green bond, Luxembourg has been at the forefront of sustainable finance, as the timeline on the following page shows:





Luxembourg’s position as a leading international financial hub has shaped the unique profile of its corporate banking sector. Many banks play a vital role in servicing the wide array of investment vehicles and fund structures domiciled in the country, offering financing solutions and tailored services to asset managers and institutional investors. Beyond this, corporate banks are often directly engaged in asset management activities, reflecting Luxembourg’s integrated approach to investment and wealth management. At the same time, these banks also support corporates established in Luxembourg, providing the full suite of traditional banking services, including working capital financing, treasury solutions, and payment services. Within this ecosystem, LuxFLAG (Luxembourg Finance Labelling Agency) plays a central role in advancing sustainable finance. Established in 2006 as an independent, internationally recognised, non-profit association, LuxFLAG’s ambition is to be the leading labelling and verification agency for financial products, contributing to a resilient and sustainable world by fostering trust, transparency, and impact.”

LuxFLAG

The Luxembourg Finance Labelling Agency (LuxFLAG), in operation since 2006, has labelled hundreds of financial products throughout the years, ranging from bonds issued by multilateral development banks to funds launched by leading asset managers and classified as Article 8 and Article 9 funds under the Sustainable Finance Disclosure Regulation (SFDR).

As for the Luxembourg Green Exchange (LGX), with its stringent criteria and listing procedures, it has greatly helped cement the financial centre’s standing as one of premier venues for sustainable instruments, earning the trust of major corporate issuers alongside eminent multilateral development banks such as the European Investment Bank and the World Bank. Even the European Commission sought advice from the LGX

when devising its Sustainable Finance Action plan and the regulations that emerged out of it.

As financial institutions further acquaint themselves and develop their expertise on the SFDR and the European Taxonomy, and as non-financial corporations across Europe will disclose a wide array of ESG data in the coming years thanks to the Corporate Sustainability Reporting Directive (CSRD), the sustainable finance landscape is poised to see greener days ahead. The recently introduced European Green Bond Standard will also give a boost to green bond issuance, with the hopes that it would be a ‘game changer’ “bringing us another step closer towards a decarbonised, net-zero global economy.”¹⁰

10. Corsini, G. ‘Europe’s Green Bond Standard: A game changer?’, Environmental Finance, October 6, 2023. <https://www.environmental-finance.com/content/analysis/europes-green-bond-standard-a-game-changer.html>



In recent years ESG financing has played a key role, as Luxembourg has established itself as a global hub for sustainable finance. We have also benefited from fund financing solutions. Future trends include the digital transformation of the banking sector and the growing role banks will play in supporting companies through their own digital transitions.”

Intesa San Paolo Luxembourg S.A.

The sustainable finance push in Luxembourg is backed by strong government and industry collaboration. The Luxembourg Sustainable Finance Initiative (LSFI), a public-private partnership established in January 2020, has played an essential role in promoting and mainstreaming sustainable finance in the Grand Duchy. Its recently-released

Sustainable Finance Strategy 2030 lays out a clear blueprint to further cement Luxembourg’s leadership in this field, focusing on making Luxembourg a global centre for sustainable finance by 2030, fostering knowledge-sharing on ESG, and mobilising capital towards the UN Sustainable Development Goals.



Banks [in Luxembourg] are embedding sustainability within their strategic frameworks and risk management, integrating ESG risks, for instance, into loan origination, monitoring, and stress testing processes. Furthermore, they are expanding green and sustainability-linked lending frameworks tailored for corporates and mid-caps, providing advisory services on transition pathways. These efforts are supported by the establishment of dedicated ESG/sustainable finance teams that focus on product development, risk assessment, reporting, and client advisory. Complementing these initiatives, banks are investing in training and capacity building for front office, risk, and governance teams, while creating ESG committees and instituting board-level oversight to ensure comprehensive implementation and accountability.”

LSFI

In this context, with a steadfast commitment to ESG principles and a robust, multi-faceted sustainable finance framework, Luxembourg stands as a shining example of how far sustainable finance has come. More importantly, Luxembourg is very well positioned to capitalise on the expected growth of sustainable finance in the coming years.

In summary, Luxembourg’s sustainable finance credentials are impeccable: it offers the infrastructure (LGX), the certifications (LuxFLAG), a critical mass of sustainable products (funds, bonds, loans), and a clear strategic vision supported by both

the public and private sectors (LSFI). These factors make Luxembourg an ideal jurisdiction from which sustainability-focused corporate banking activities can be launched.





Innovation and technology integration

Driven by both public and private sectors, Luxembourg's fintech landscape has grown rapidly over the past decade, focusing not on volume but on high-impact, regulated, enterprise-ready solutions. The country currently has over 220 fintech and regtech companies, with specialised offerings tailored for corporate and institutional banking needs.



Box 4. The Luxembourg House of Financial Technology (LHoFT), the central hub for fintech in Luxembourg

The fintech landscape is uniquely shaped by its focus on enterprise-grade, B2B solutions rather than on retail applications, which aligns with the needs of corporate banks looking for modular, secure, and regulatory-compliant technologies. For instance, when it comes to Payments and

API banking, LuxHub, a PSD2 API aggregator, is a noteworthy solution. As for regtech, several firms have attracted attention such as Finologee, a digital onboarding solution, and Governance.com, a solution focused on compliance workflows.

Established in 2017 as a public-private initiative, the LHoFT Foundation plays a key role in orchestrating innovation between banks, fintechs, regulators, and researchers. It offers innovation sandboxes for joint prototyping and testing. Alongside community events, hackathons and acceleration programs to support fintech scale-ups. Moreover, it plays a role in fostering fintech-related dialogues between the financial centre, the CSSF and the Ministry of Finance. Its role as a neutral innovation enabler makes it a trusted partner for corporate banks entering the market or launching new services.



Luxembourg is in an active but cautious phase of digitalisation. We are not leading in front-end innovation, but we are increasingly focused on solving the underlying operational complexities that define corporate banking here.

Digitisation efforts are concentrating on client onboarding, compliance, and reporting. KYC is a particularly acute challenge where a lot of focus is targeted. Institutions are adopting technology where there is a clear benefit, particularly when it reduces manual intervention or accelerates decision-making.

Luxembourg's real opportunity lies in building foundational infrastructure. Shared platforms for identity, data exchange, reporting, and ESG compliance, for example, would allow institutions to operate more effectively. This is an area where LHoFT is investing considerable effort, bringing stakeholders together to explore mutualised solutions that reduce costs and create efficiency at scale.”

LHoFT

As such Luxembourg is rapidly evolving into a regulated innovation laboratory for financial institutions as it provides the ideal conditions to test, scale, and deploy next-generation technologies such as Artificial Intelligence (AI), Blockchain/Distributed Ledger

Technology (DLT), and digitally-native financial assets. Indeed, Luxembourg is one of the few European jurisdictions where DLT-based securities issuance, custody and settlement are moving beyond pilot phases and into regulated production environments.



When it comes to funding, we've been fortunate to receive support from several different sources, and we're really grateful for it. We started with the Fit 4 Start programme, organised by Luxinnovation, which provided us with a €150K equity-free grant. That was a major milestone for us, it gave us an important initial boost. Earlier this year, we successfully closed our first fundraising round, securing €1.7 million in pre-seed funding. That was a significant achievement, allowing us to further develop and refine our AI technology, something that's absolutely critical in our field. Most recently, we were also admitted and declared eligible for the R&D grant, which covers a percentage of the capital raised. Overall, Luxembourg has been extremely supportive. The early backing through Fit 4 Start and the R&D grant has had a real impact on our growth. It's also helped us attract top talent, particularly highly skilled experts in AI, which is essential to our success. Our team has expanded from just 2 people to nearly 10 in less than a year. It's incredible how fast things are moving."

Reyhaneh Niknejad, Co-founder and Head of Business Development, Elora

When it comes to corporate banking, AI is being integrated across key functions, from risk assessment, onboarding (e.g., document parsing, identity verification), fraud detection (via behavioural analytics and transaction monitoring), treasury forecasting and compliance

automation. Moreover, Luxembourg is one of the rare European jurisdictions where corporate banks can test and scale tokenised asset issuance and custody solutions within a regulated and secure environment.

Box 5. Corporate treasury technologies: automating liquidity, payments and compliance

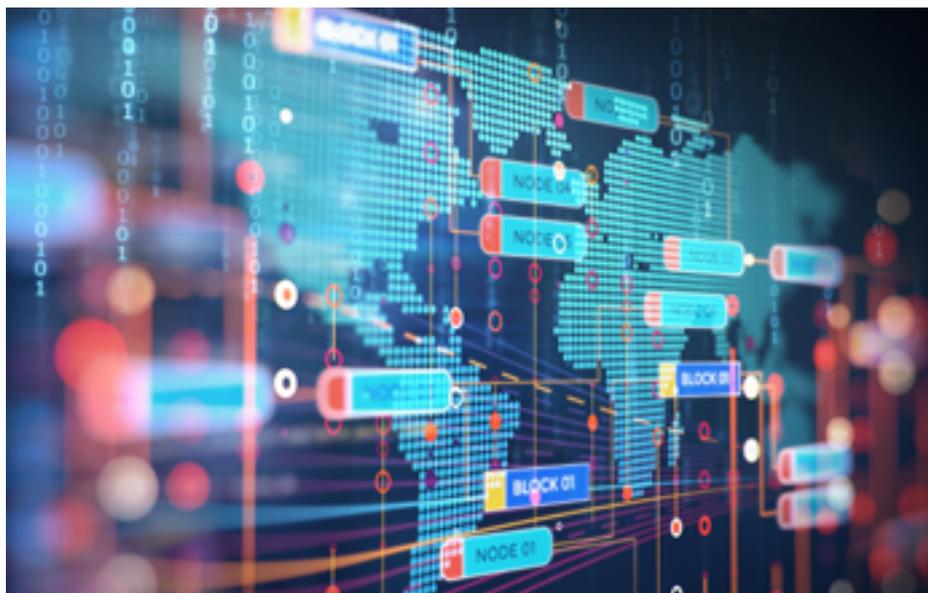


In today's volatile macroeconomic and regulatory environment, corporate treasurers are under pressure to achieve greater control, speed, and compliance across liquidity, payments, and risk functions, particularly in multi-jurisdictional operations. Luxembourg is uniquely positioned to support this transformation, offering best-in-class treasury technology solutions backed by a robust regulatory framework and forward-thinking digital infrastructure.



With its expanding CIB capabilities, Luxembourg is becoming a natural gateway for large corporates seeking efficient access to Eurozone markets, sustainable investment vehicles, and centralised treasury management.”

François Masquelier, Chair of the Luxembourg Corporate Treasury Association (ATEL) and Chair of the European Association of Corporate Treasurers (EACT)



Fintechs and banks bring complementary strengths. Fintechs are agile, focused, creative, and technically sophisticated. Banks have scale, trust, and deep regulatory knowledge. When these strengths are aligned, the results can be significant.

The LHoFT acts as a neutral platform to enable this collaboration. We have, over the years, put more and more resources towards education programs that help institutions and finance executives get to grips with technology trends and the opportunities that are presented by technology for their business. Working with financial institutions, we identify use cases that matter, help to find solutions with a proven level of maturity, and initiate connections and engagements with a clear view toward implementation. We maintain a sharp focus on driving structured, commercially grounded collaboration.

We are also working on broader initiatives, such as the Catapult: Future Foundation program, which brings together banks and other financial institutions to explore mutualised infrastructure projects. These efforts address systemic challenges and enable technology adoption in areas that are difficult for any single institution to tackle effectively alone, or where there are benefits of scale and value through network/shared use.”

LHoFT



Technology is transforming our industry and client expectations. As such, BofA spends approximately US\$4 billion a year globally on new technology initiatives. These resources are also devoted to enhancing the client experience and the efficiency of our systems in Luxembourg, so we can continue to support clients here as their needs and strategies evolve.”

Benoit Nevouet, Managing Director, Global Payments Services, Bank of America Europe DAC (Luxembourg Branch)

For cross-border corporate banks, regulatory complexity and operational risk remain major barriers when it comes to cloud adoption. Luxembourg addresses these concerns head-on by offering cloud infrastructure that is tailored for financial services, combining EU compliance, local hosting capabilities, and state-supported sovereignty initiatives.

As a matter of fact, cloud computing is now a central pillar of the country’s financial digitalisation agenda, supported by precise regulatory guidance: CSSF Circular 22/806. This circular governs cloud usage for financial

entities and ensures alignment with broader EU supervisory expectations (e.g., EBA, ECB, and ESMA). It sets rigorous standards for: data confidentiality and auditability, data residency within the EU, operational resilience and oversight. In practice, this means that corporate banks using cloud services in Luxembourg can scale their infrastructure without compromising on regulatory trust or business continuity.

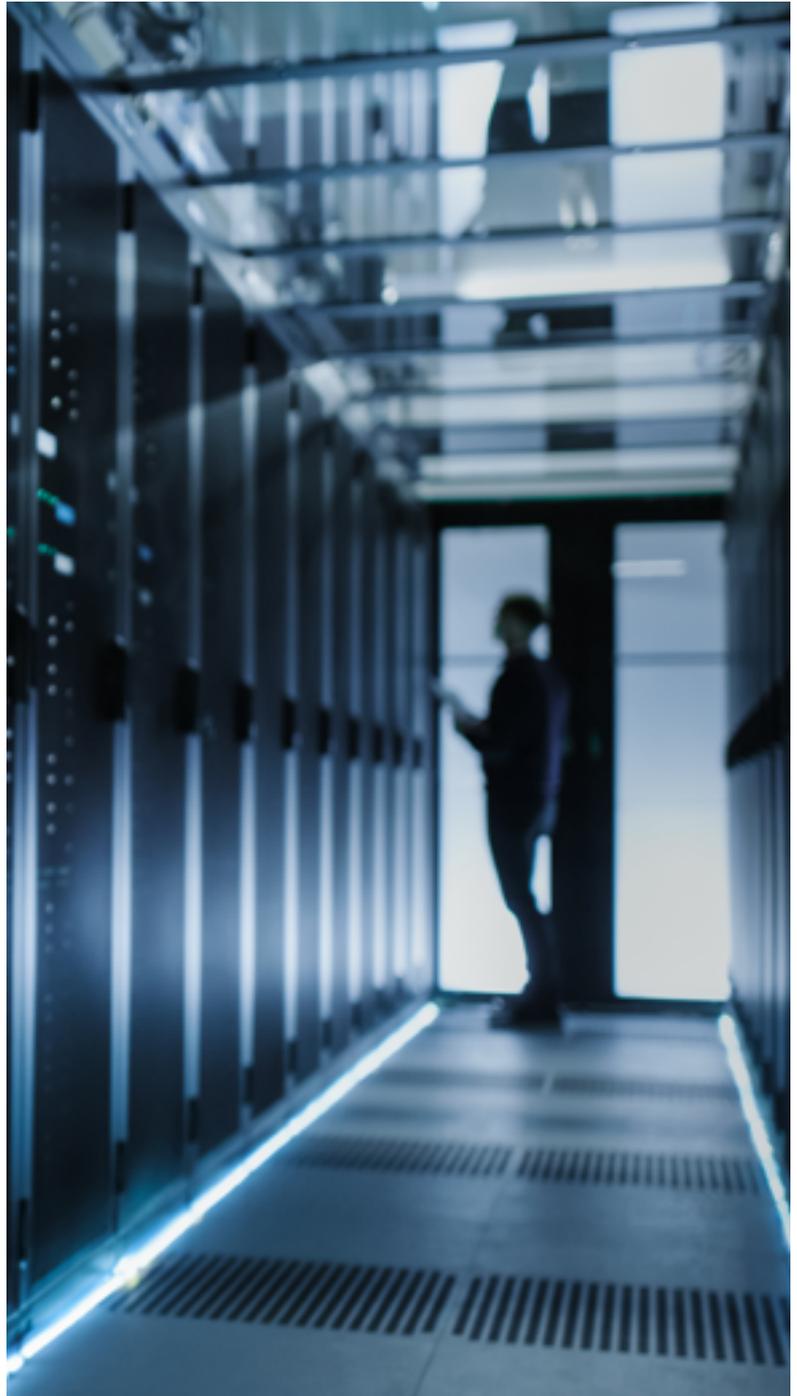
Box 6. Cloud leaders with localised operations in Luxembourg



Global cloud service providers such as Microsoft Azure, Amazon Web Services (AWS), and Google Cloud operate via trusted, CSSF-compliant datacenter models. Moreover, local providers (e.g., LuxConnect) offer secure PSF-certified cloud options for institutions requiring additional privacy or critical data segregation. This environment supports hybrid and multi-cloud strategies with full compliance assurance, giving corporate banking IT teams greater architectural flexibility.

To future-proof critical infrastructure and digital finance operations, Luxembourg is also investing in the development of a Sovereign Cloud, in alignment with GAIA-X, the EU’s flagship framework for data sovereignty and federation. The key objectives of the Sovereign Cloud are to (1) ensure jurisdictional control over sensitive financial and operational data, (2) enable trusted hosting of mission-critical applications, and (3) provide verifiable, auditable access controls to ensure only authorised parties can access institutional data. The Sovereign Cloud is being developed through public-private collaboration, with strong participation from financial sector actors, critical infrastructure providers, and national cybersecurity bodies.

In summary, Luxembourg's fintech ecosystem has rapidly evolved into a hub for enterprise-grade, B2B financial innovation, driven by both public and private sector collaboration. With numerous fintech and regtech firms, corporate banks have access to secure, modular, and regulation-compliant solutions tailored to their needs. Moreover, the Grand Duchy enables financial institutions to test, scale and integrate new technologies all-the-while ensuring alignment with a robust compliance framework. For instance, AI is increasingly being integrated into corporate banking (risk, onboarding, fraud detection, compliance etc.), while cloud adoption is supported by robust regulatory guidance that ensures data sovereignty and operational resilience.





Benefits beyond corporate banking

Luxembourg's corporate banking sector is uniquely positioned to serve both funds and corporates due to its dual identity as a global hub for investment funds and as a gateway for doing business in Europe. Indeed, corporate banking in Luxembourg includes a full suite of services – from working capital financing and treasury and payment solutions, to structured finance and syndicated loans, as well as cross-border transaction capabilities.

Whether the client is a traditional asset management firm, an alternative asset manager, a non-bank financial institution (NBFI), a large multinational corporation, or an SME, the Luxembourg financial centre offers the full gamut of corporate banking services. But the attractiveness of Luxembourg does not stop there.



Over time, the focus of Luxembourg's financial system has gradually shifted from mainly Private Banking services to a stronger emphasis on Corporate & Investment banking services. Approximately 20 years ago, there was a more domestic focus with fewer foreign banks present locally. In recent years, however, both local and international banks have increasingly turned their attention to corporate banking, and there has been heightened interest for the establishment of various international banking groups in the country. This shift is largely the result of efficient government initiatives aimed at attracting more corporate headquarters in Luxembourg – across sectors such as e-commerce, telecommunications, and the food industry – which has made the market more appealing to banks.”

Cargolux



We were fortunate to be selected among 20 startups in the Fit 4 Start programme, which greatly helped us achieve a smooth landing and become fully acquainted with all important stakeholders. Luxinnovation has been especially supportive throughout our starting phase, which definitely helped us make things happen. Overall, setting up a bank account went smoothly in our case. In addition, we have applied for financial R&D aid from the Ministry of Economy.”

Sonia Solutions

In addition to a strong corporate banking infrastructure, Luxembourg offers companies proximity to both governmental and supranational institutions, such as the EIB and the EIF. This provides them with a powerful ecosystem for growth and expansion.

The EIB and EIF, for instance, offer direct access to development finance, guarantees, and project development assistance (PDA), which help businesses improve their technical and financial maturity and increase their chances of reaching financial close and operational success.

As for the government, Luxinnovation is Luxembourg's national innovation agency, tasked with empowering companies in their innovative projects to stimulate the development of a sustainable, competitive and digital economy. It plays a pivotal role by guiding companies through funding applications, offering regulatory and technical support, and enhancing access

to private investment by boosting project credibility. Its scale-up programmes and innovation support initiatives help high-potential businesses refine operations, expand market reach, and unlock future growth opportunities. Moreover, it was designated as the national contact point for the European Innovation Fund (a €40 billion EU fund which finances innovative net-zero technologies).¹¹

Coupled with the strong corporate banking landscape in the country, these institutions create a synergistic environment that fosters innovation, sustainability, and competitiveness for companies operating in Luxembourg.

In summary, apart from the wide range of corporate banking services provided by banks in Luxembourg, companies operating in the Grand Duchy benefit from proximity to funding opportunities and support from governmental and supranational sources to scale-up and expand.

11. Luxinnovation. 'Decarbonising with the European Innovation Fund.' 27 November 2024. <https://luxinnovation.lu/news/decarbonising-with-the-european-innovation-fund>

6

Conclusion: a promising outlook for corporate banking in Luxembourg

The Luxembourg banking sector has proven itself to be resilient, adaptable and forward-looking. Looking ahead, several key drivers are likely to shape the growth and evolution of corporate banking in the Grand Duchy:



European capital markets integration

Luxembourg is poised to benefit from EU initiatives like the Savings and Investments Union. As the European Commission seeks to harmonise financial markets, Luxembourg's role as a cross-border booking centre could expand, particularly given that a significant portion of Luxembourg's corporate banking services cater to clients from outside the Grand Duchy. As such, further EU-driven financial integration should only increase cross-border business.



Sustainable finance demand

With global and European emphasis on climate goals, corporate banks that can offer green loans, sustainability-linked financing, and ESG advisory will have an edge. Luxembourg's leadership in sustainable finance means that its corporate banks are well-positioned to capture this demand. We can expect more product innovation in this area, likely structured via Luxembourg entities or with Luxembourg co-lenders.



Digital Transformation & GenAI

Digitalisation is now a baseline requirement, and with GenAI as a catalyst, Luxembourg's banks must now evolve from digital adopters to digital leaders, combining technology, governance, and talent to shape the next era of finance.



Diverse, talented and growing workforce

The workforce in credit institutions across Luxembourg is expected to grow and become ever-more specialised, particularly given national and supranational regulatory and supervisory expectations as well as the need for banks to become digital leaders and innovators in sustainable finance.

7

Appendix 1. Testimonials from corporates

Cargolux

Founded in 1970 and officially known as Cargolux Airlines International S.A., Cargolux is Luxembourg's flag carrier cargo airline. Headquartered at Luxembourg Airport, Cargolux is Europe's biggest all-cargo airline. It has over 85 offices in around 50 countries, with 3,150 employees in its headquarters and over 4,000 worldwide. In 2024, its total income stood at US\$ 3.3 billion, while its net profit was US\$ 448 million.¹²

Having been established in Luxembourg for over 55 years, how have you seen the market evolve, and how has it shaped your ongoing business strategy?

Over time, the focus of Luxembourg's financial system has gradually shifted from mainly private banking services to a stronger emphasis on corporate and investment banking services. Approximately 20 years ago, there was a more domestic focus with fewer foreign banks present locally. In recent years, however, both local and international banks have increasingly turned their attention to corporate banking, and there has been heightened interest for the establishment of various international banking groups in the country. This shift is largely the result of efficient government initiatives aimed at attracting more Corporate Headquarters in Luxembourg – across sectors such as e-commerce, telecommunications, and the food industry – which has made the market more appealing to banks.

The market here is mainly international, and a significant portion of the recent growth originated from China, adding a new dynamic to Luxembourg's financial landscape.

We're also seeing more banks moving parts of their European headquarters operations and divisions to Luxembourg. This means decisions can be made much faster locally. At the same time, banks have significantly improved their expertise in corporate banking and are really driving growth in this area. More and more, they're taking a proactive approach – offering tailor-made solutions rather than just the usual over-the-counter products. They are making an effort to truly understand our needs and adapt their offerings accordingly.

¹². Introducing Cargolux.
<https://www.cargolux.com/introducing-cargolux/>

Cargolux



In what ways has Luxembourg's business climate contributed to your company's overall success in the region?

I believe that Cargolux had a very good start with the vision of past Governments in the 1980s and 1990s. Over the past decades, strongly developed air traffic rights have contributed to building a flexible and comprehensive network. In 2009, the National Logistics & Transport Action Plan was developed following a multi-specialization strategy. In 2013, Logistics was officially selected as 1 of the 5 priority sectors (alongside with ICT, space tech, Health Tech and eco technologies). At the same time, a dedicated Pharma Center was inaugurated at the Cargo Center.

The development of the logistics sector led Cargolux to grow significantly in terms of fleet, establishing us as a

major player in the air freight market. We receive political support focused on a "business first" approach – our business structure incorporates a combination of Luxembourg-based and foreign shareholders over the years such as Swissair, Qatar Airways, Henan Province (China). We have built a strong relationship with other industrial countries such as China (Air Silk Road initiative).

The country possesses a robust "can-do attitude", which allowed Cargolux to be established by three relatively small initial shareholders (Loftleiðir, Salen and Luxair) without the influence of any incumbent player and let us grow from there to the company that we are today.

How does Luxembourg's positioning within Europe and its global connectivity influence your corporate strategy?

With its hub in Luxembourg, Cargolux is uniquely positioned in the heart of Europe where it can reach a very large portion of the European GDP (70%) within one day of trucking. This prime location contributes to the efficiency of Cargolux.

Fleet wise, so far, our business model was focused on operating widebody aircraft with a single type fleet, for maximum efficiency.

Luxembourg's strategic location offers access to an advanced and well-balanced market, encompassing both consumer goods and industrial production. Its

balanced position for imports and exports makes it an optimal hub for international air cargo transportation. In contrast, regions that focus heavily on either imports or exports may face inefficiencies and heightened vulnerability to economic fluctuations.

Luxembourg's airport is heavily focused on-air freight, with short distances between the aircraft and the trucks, and, as such, considered by our customers as a convenient option to ship their cargo, as opposed to passenger-centric, often congested airports like Frankfurt.

Cargolux

How have Luxembourg financial players supported your corporate treasury operations, particularly in terms of cash management and financing structures?

The Luxembourg Financial sector (cornerstone of its economy) provides a fully-fledged and comprehensive battery of services supported by robust, well-established and century old Luxembourg banks, as well as global banking market players present in the country.

The corporate banking sector complemented by the investment funds sector, and the overall high financial expertise brought by professionals of the financial sector, allow us to benefit from a variety of services in different fields:

- Corporate treasury
- Corporate payment
- Investments
- Foreign exchange services first supported domestically, but also globally

Given our international and local footprint, we need (and are very fortunate) to have such partners at the heart of Europe. Luxembourg financial players have undeniable strengths;

they understand and offer personalised services, provide faster decision-making capabilities, are flexible, supportive and enable us to get immediate executive access.

This unique combination/proximity is key to our international business, driving our treasury operations, and allowing us to remain agile, especially in an industry like ours, highly sensitive to economic fluctuations.

In terms of financing, the Luxembourg based banks that are part of a wider group have often built bridges between Cargolux and the headquartered corporate investment banking teams in other countries, facilitating as such the implementation of several sophisticated financing structures.

Could you give us an example of business cases or deal that could be singled out as a result of your location in Luxembourg?

Looking back at the COVID period, one example really stands out. Thanks to the strong international trust in Luxembourg and the fact that the country didn't impose any export restrictions on protective equipment, Cargolux was able to play a key role. We helped to support Luxembourg as a major entry point for masks, respirators, and protective materials, which were then distributed across Europe.

Air cargo and logistics are a key strategic pillar for Luxembourg, so our location enables us to consider Central Europe as our home market. An example is our pharma traffic from Germany to

Indianapolis, where our processes are optimised to offer an attractive option to our customers.

A recent business case I can also think of, is the creation of our firefighting company named: 'Aquarius Aerial Firefighting'. We had to be agile in the creation of this company and benefitted from Luxembourg's company filing, and its creation frameworks known to be efficient and smooth. Local Corporate Banking services helped us to open accounts, inject seed capital and act fast immediately after Board of Directors decisions.

Cargolux

What do you appreciate most about living and working in Luxembourg?

Luxembourg is right in the heart of Europe, which makes it incredibly well-connected, you can easily do a one-day business trip to Paris or London for example. It's also a very international place, which creates a welcoming environment talent either local, EU-based, or further afield. That's something we really value at Cargolux, especially given how specialised and niche our business is.

What stands out to me about Luxembourg is the balance it offers. It's highly organised, safe, and manages to

be both business- and family-friendly. You get the opportunities you'd expect from a big city, but with the benefits of a smaller, close-knit community.

One of the main challenges here is the cost of living, particularly housing, and especially for younger people starting out. That's why, at Cargolux, we've introduced a housing program specifically aimed at helping newcomers settle in more easily.

What is an example of modern regulatory framework which support the sustainability of enterprise in Luxembourg under financial perspective?

At Cargolux, we have a strong focus on risk management, which includes financial risk management mitigation techniques that support our hedging and investment strategy, for example.

We therefore have enhanced responsibilities both at national but EU levels to ensure full compliance with applicable financial regulations, as well as being committed to collaborate with Luxembourg and EU regulations initiatives, and to promote financial market's transparency in Luxembourg. EMIR and EMIR Refit are good examples.

Luxembourg has a modern regulatory framework under many perspectives in relation to insurance and reinsurance captive companies, overseen by the Commissariat aux Assurances, for example.

The country offers attractive and efficient regulations with financial incentives, which can significantly reduce the overall cost of insurance, and allow companies to have a more sustainable risk retention capability. adding to the fact that the nation benefits from a highly qualified workforce experienced in managing captives, Luxembourg's insurance market has shown resilience and continues to grow, particularly in the reinsurance sector despite various economic downturns.

Elora

Founded in 2023, Elora is a Luxembourg-based technology startup that has developed AI-powered tools that enhance company efficiency and employee productivity while scaling the workforce, ultimately boosting revenues and liquidity.

What were the key reasons behind choosing Luxembourg as your company base?

Both my co-founder (Mattieu Detaille) and I (Reyhaneh Niknejad, COO) were already based in Luxembourg, so starting our company here felt like a natural decision. Also, Luxembourg's geographic location was a major advantage, it gives us easy access to several key markets nearby, which is very important for scaling our business.

Another important factor was the strong support for innovation in Luxembourg. Since our technology is built entirely around cutting-edge developments like generative AI, launching our business in an environment that actively promotes and funds innovative projects was a big plus. The support received from the Luxembourg government really encouraged us to build our company here.

As a newly established company, what challenges did you face when entering the Luxembourg market, and how were they addressed?

One of the main challenges we faced was securing our first adopters. Introducing AI receptionists to more traditional companies required shifting mindsets and building trust. We had to clearly demonstrate the tangible benefits of our technology through detailed demos, case studies, and concrete results. Convincing those initial 10 clients was particularly difficult, but once we crossed that threshold, gaining further traction became easier.

On the administrative side, we identified areas for improvement, such as streamlining bank account setup, enhancing communication with institutions and partners, and managing regulatory requirements.

Regarding technology, integrating our AI-based solution with the infrastructure of financial organisations may present challenges, but this also could be a great opportunity to innovate and collaborate closely with the sector to develop effective solutions.

Also, as per current legislative approach, classifying company founders as self-employed, in specific situations, can lead to certain administrative challenges. We have communicated our feedback to the relevant authorities and are confident that it will be duly considered.

Elora



In what ways has Luxembourg's infrastructure, regulatory environment, and financial services sector supported your entering the market?

When it comes to funding, we've been fortunate to receive support from several different sources, and we're really grateful for it. We started with the Fit 4 Start programme, organised by Luxinnovation, which provided us with a €150K equity-free grant. That was a major milestone for us, it gave us an important initial boost. Earlier this year, we successfully closed our first fundraising round, securing €1.7 million in pre-seed funding. That was a significant achievement, allowing us to further develop and refine our AI technology, something that's absolutely

critical in our field. Most recently, we were also admitted and declared eligible for the R&D grant, which covers a percentage of the capital raised.

Overall, Luxembourg has been extremely supportive. The early backing through Fit 4 Start and the R&D grant has had a real impact on our growth. It's also helped us attract top talent, particularly highly skilled experts in AI, which is essential to our success. Our team has expanded from just 2 people to nearly 10 in less than a year. It's incredible how fast things are moving.

Which financial services have been most beneficial to your business since establishing in Luxembourg?

For us, the true value comes from the network. Being part of the ecosystem surrounding the House of Startups provides us with access to a vibrant community, including experts from organisations like the LHoFT (Luxembourg House of Financial Technology). Their expertise and support, particularly in financial and fintech areas, have been invaluable in helping us explore our options and make well-informed decisions.

In a country like Luxembourg, where the ecosystem is compact and well-connected, having direct access to such experienced professionals makes a big difference. Those connections have been instrumental in supporting our financial planning and overall growth.

Elora

How do you view Luxembourg's role in supporting new corporates navigating the European and global markets?

We're already happy to have clients in Belgium, and France, so we're starting to expand beyond Luxembourg, which is great. What I often hear from the government, politicians, and key stakeholders is their strong commitment to making Luxembourg a major technology and AI hub in Europe. With these ambitious goals, they are eager to support promising local startups like ours. In a country like Luxembourg, where the ecosystem is compact and well-connected, having direct access to such experienced professionals makes a big difference. Those connections have been instrumental in supporting our financial planning and overall growth.

They don't just invest financially, they actively promote and give visibility to startups, connecting us with major corporates across Europe whenever possible. This kind of support is very important in helping startups gain recognition on a broader scale.

Thanks to this approach, we've been able to attract top talent and bring them to Luxembourg, which is very important for our growth. Additionally, institutions like the Chamber of Commerce play an important role by facilitating our participation in major tech events, such as VivaTech. These opportunities offer extended visibility and connections with industry leaders.

What aspects of living and working in Luxembourg do you appreciate most?

I honestly think living and working here is one of the best combos when it comes to work-life balance. For people with families, Luxembourg is a really great place. The education system, especially public schools, is impressive, not something you always find elsewhere. Kids start learning multiple languages early on, which is a huge plus.

In addition, there are plenty of green spaces to explore, making it a lovely country to live in. And if you love to travel, Luxembourg's location is perfect, not just for business, but for family trips too. Whether you want to visit the South of France or England, it's just about an hour by plane, which makes things super convenient. Having the airport right near the city is a real bonus.

On the business side, there's a strong, supportive tech community, and knowing the government backs us gives us a real boost. So all in all, the work-life balance here just feels right.



Sonia Solutions

Founded in 2024 in Luxembourg, Sonia Solutions S.à.r.l. is a software-as-a-service (SaaS) healthtech firm. It is the only EU solution that provides a combined med scribe and AI assistant for procedure/surgery documentation, which frees dentists from time-consuming documentation work.

What were the key reasons behind choosing Luxembourg as your company base?

Luxembourg has a unique demographic, making it an excellent testing market for startups. The government places strong emphasis on tech companies, with HealthTech as one of its key focus areas. A well-connected ecosystem with

quick access to key decision-makers. Strong local talent pool, complemented by international players like Amazon attracting top profiles (especially in AI).

As a newly established company, what challenges did you face when entering the Luxembourg market, and how were they addressed?

It is always challenging to set up a functioning entity in another country, as administrative processes differ from what you are used to. While local talent is available, salaries are high, and competitive packages are essential

to attract top profiles. Even though Luxembourg is small, each commune has its own advantages, which makes it less straightforward to decide where to establish a physical office.

In what ways has Luxembourg's infrastructure, regulatory environment, and financial services sector supported your entering the market?

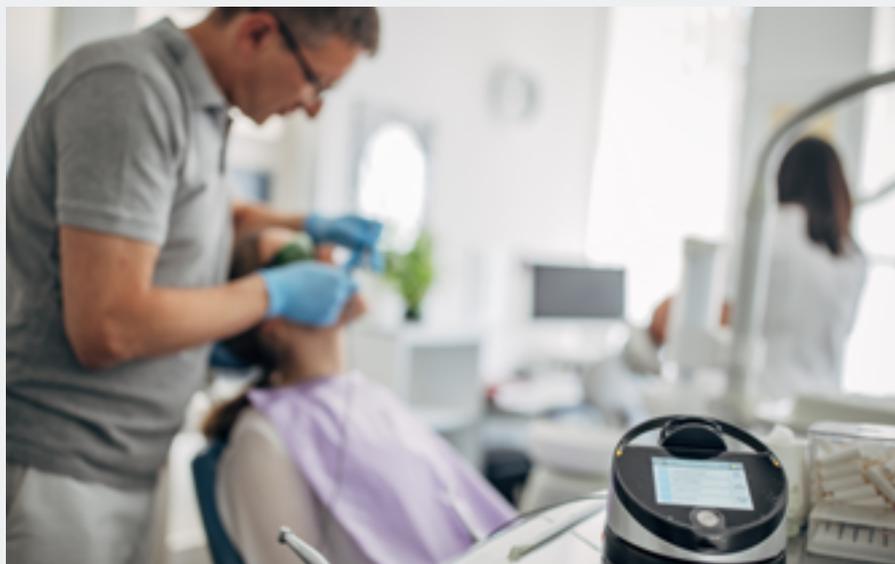
We were fortunate to be selected among 20 startups in the Fit 4 Start programme, which greatly helped us achieve a smooth landing and become fully acquainted with all important stakeholders. Luxinnovation has been especially supportive throughout our starting phase, which definitely helped us make things happen.

We are in ongoing discussions with Meluxina, Luxembourg's HPC, for future collaboration, which is a significant advantage for AI-driven tech companies.

Can you provide examples of how Luxembourg has helped streamline your company's cash management or financing structures?

Not really applicable at this stage. In the future, transfer pricing and the IP Box might become relevant for our financial operations.

Sonia Solutions



Which financial services have been most beneficial to your business since establishing in Luxembourg?

Overall, setting up a bank account went smoothly in our case. In addition, we

have applied for financial R&D aid from the Ministry of Economy.

How do you view Luxembourg's role in supporting new corporates navigating the European and global markets?

Located in the heart of Europe and as a EU founding member, Luxembourg is definitely a key player on the international scene. Numerous support initiatives, such as the Chamber of Commerce, LTIOs, Luxinnovation,

dedicated sectoral clusters, incubators, and specific acceleration programmes, to name just a few, highlight the country's strong commitment to supporting newly arrived ventures.

What aspects of living and working in Luxembourg do you appreciate most?

Multilingual, one of the greenest cities and countries, with people who may be reserved but are kind. The diversity of nationalities is truly unique. Quality of

life is extremely high, with a wide range of schooling options. Also, for a country of its size, it offers an incredibly vast array of cultural activities.

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Appendix 2. Testimonials from banks

Bank of China

In 1979, Bank of China established Bank of China (Europe) S.A, its branch in Luxembourg, from where it offers corporate banking and treasury services. It was the first Chinese bank to establish a presence in the Grand Duchy.

Luxembourg's strategic location and financial connectivity

Luxembourg's central location in Europe allows it to serve as a cross-border financial hub, having proximity to major financial hubs and investors and corporates. Facilitated by passporting rights, the Bank provides services across the entire EU.

Luxembourg's AAA sovereign credit rating

The AAA rating of Luxembourg enhances market perception and trust, which is particularly important for structured financing transactions and cash management services. Clients and counterparties feel confident working with a bank headquartered in a AAA-rated jurisdiction. This reputation reinforces Luxembourg's status as a safe, stable environment for business operations.

Tax optimisation opportunities?

Luxembourg has long been known for efficient and legally compliant tax structuring opportunities, making it attractive for multinational businesses. Companies are able to optimize tax positions while maintaining regulatory compliance, which adds to the jurisdiction's appeal. When ensuring that there is a sufficient business substance in Luxembourg, companies are able to enjoy tax benefits.

Strong support ecosystem

Professional services are well developed and highly skilled. Players such as the Luxembourg Stock Exchange are very helpful in business delivery. Connectivity to capital markets is a clear advantage.

Bank of China

Regulatory landscape in Luxembourg

Luxembourg provides a stable and consistently supportive regulatory environment, which is especially beneficial for cross-border banking activities. Unlike larger European financial centres, where regulatory systems can be bureaucratic and slow-moving, Luxembourg offers streamlined communication and a cooperative tone from both regulators and government bodies. Banks benefit from the proximity to regulators, which facilitates the dialogue and makes the approach more efficient and business-friendly.

ESG and sustainability

ESG has emerged as a major driver of financial product evolution. Bank of China (Europe) is increasingly financing green bonds and sustainability-linked projects, integrating ESG principles into structuring and risk assessment.

Rapid growth of credit funds

European credit funds have grown faster than traditional banks in recent years, becoming significant players in the lending market. A shift in the Luxembourgish investment funds industry is observed since more and more investment decisions are taken directly within Luxembourg. US dollar related investments have been shifting more and more to Europe in recent months, benefiting the overall position of Luxembourg and the EU as a whole. A large number of SPVs are established in Luxembourg, and the bank is actively exploring collaboration models, including:

- Joint investment opportunities
- Custody and operational services
- Back-office banking infrastructure support
- ESG and Sustainability Integration

Living and working in Luxembourg

Compared to other major financial centres, Luxembourg offers a healthier work-life balance while maintaining high professional standards. A good environment for raising families and maintaining quality of life. Luxembourg is home to a diverse population and workforce, fostering an inclusive and international business culture. Professionals from all over the world operate comfortably within the system. As for public services and infrastructure: free public transportation across the country, high safety and quality of life, well-developed healthcare and education systems.

BTG Pactual

Based in Luxembourg, BTG Pactual Europe S.A is a wholly-owned subsidiary of BTG Pactual, the largest investment bank in Latin America and one of the continent's largest financial institutions. From the Grand Duchy, BTG offers a full range of services in wealth and asset management, as well as investment and corporate banking.

What motivated your bank to establish operations in Luxembourg, and what has been the most significant benefit so far?

Luxembourg's role as a leading international financial hub makes it the ideal platform for BTG Pactual to connect Latin American clients with European opportunities and vice versa. This dual flow is central to our growth strategy. The most significant benefit

has been Luxembourg's respected regulatory framework, which allows us to operate seamlessly across the EU from a single base, combining local trust with global reach to support cross-border distribution, capital formation, and investment access.

What are the advantages in operating from Luxembourg compared to other European or international financial hubs?

Luxembourg offers a unique combination of stability, credibility, and cross-border expertise in a way that is distinct among financial centers. A banking license provides access to the entire EU market, supported by a multilingual workforce and a pragmatic,

internationally respected regulator. Its AAA-rated economy, strong fund industry, and first-mover approach to EU directives make Luxembourg a uniquely effective platform for scaling international banking and investment activities.

What challenges did you face when setting up your operations in Luxembourg, and how did you overcome them?

BTG Pactual entered Luxembourg through the acquisition of a fully licensed bank, enabling us to build on an established platform with more than 30 years of institutional presence. Rather than facing challenges, the transition was remarkably smooth thanks to close collaboration with the CSSF, the country's pragmatic regulatory environment and strong support from local law firms. Following

the acquisition of FIS Privatbank S.A. at the end of 2023, we rapidly transformed the bank into the cornerstone of the Group's European operations. Today, as a fully licensed pan-European bank headquartered in Luxembourg, we combine trusted local expertise with the scale, reach, and institutional expertise of the largest investment bank in Latin America.

BTG Pactual

Can you share examples of how Luxembourg's AAA rating has positively impacted your funding costs or operational efficiency?

Luxembourg's AAA rating opens doors to a broader pool of institutional investors, some of whom are restricted to investing only in highly rated jurisdictions. For BTG, this has widened

our investor base and increased demand for our instruments. The rating also reinforces Luxembourg's credibility with regulators, counterparties, and clients worldwide.

How have you navigated the regulatory environment in Luxembourg to meet your operational goals?

To successfully navigate the regulatory environment, we combine a clear understanding of laws and requirements with the support of trusted local advisors and legal experts. Strong internal compliance structures ensure that our processes meet regulatory standards. By closely monitoring new developments, we remain agile and

proactive in adapting to change. At the same time, we foster a culture where compliance is embedded across all levels of the organization. Luxembourg's environment has made this journey smooth and effective, enabling us to align our ambitious growth plans with the country's requirements.

How does Luxembourg align with your broader regional or international expansion strategy? Is it your preferred financial hub?

Luxembourg is central to our international strategy. It serves as our European headquarters and key hub for further expansion, including new branches in Spain and Portugal (in

progress). Its reputation, combined with its central role in the EU single market, makes it our preferred hub for executing our European strategy.

What do you appreciate most about living and working in Luxembourg?

Luxembourg offers a high quality of life, an international environment, and a welcoming community. For our team, the ease of access to other European cities, combined with a safe

and family-friendly setting, makes it a unique place to live. Professionally, the multicultural workforce and strong financial ecosystem create the perfect environment for innovation and growth.

Deutsche Bank

The first foreign subsidiary of Deutsche Bank AG after the Treaty of Rome (1957) was signed was established in 1970 in Luxembourg. Today, Deutsche Bank Luxembourg S.A. is one of the leading financial service providers in the country, providing corporate finance services as well as a host of other services (asset management, capital markets etc.).

What factors influenced your decision to establish operations in Luxembourg, and what has motivated you to continue operating here?

Deutsche Bank Luxembourg S.A. was founded in 1970 as first foreign subsidiary of Deutsche Bank AG after the signing of the Treaties of Rome in 1957.

From the very beginning, Deutsche Bank in Luxembourg has focused on international cross-boarder business. After more than 50 years in Luxembourg, supporting our clients internationally or in their international business is still the core of our day-to-day business.

Deutsche Bank in Luxembourg has been operating very successfully and has been and remains a very significant subsidiary of Deutsche Bank Group overall. Based on this, the presence in Luxembourg was never pulled into question. To the contrary, we are strengthening our local presence and expanding our product offering. Whereas, as a consequence of our business model as specialized lending hub for Deutsche Bank Group, our clients are from all over the world, we now also want to intensify our local proposition and will broaden our product offering in the local market.

How has Luxembourg's ecosystem environment supported your business activities?

There are a number of elements which support our business activities and have helped in establishing Luxembourg as an important hub for Deutsche Bank Group.

Firstly, we have a very experienced and skilled team in Luxembourg that is very loyal and has been with us for many years. This allows us to build upon many years of experience. But we are also attracting the right new talent and have been hiring from around the world. Our staff base consists of 42 different nationalities and are fluent in 36

different languages which is a reflection of the international character of the financial marketplace in Luxembourg and is, of course, very much benefitting our international cross-boarder business.

Secondly, Luxembourg is an ideal location to operate from not only because of the geographical positioning in the heart of Europe and as one of the capitals of the EU, but also because of the environment.

The Luxembourg government recognizes the importance of the financial sector as the biggest GDP contributor and has an open door policy. When it comes to legislation, Luxembourg is quick and pragmatic in adopting EU directives or passing relevant laws thereby keeping on open ear to the needs of the sector.

The regulator (CSSF) is very effective and, at the same time, business minded with a good understanding of the financial market place. All key stakeholders in Luxembourg are approachable and distances are short. This makes a difference day-to-day.

And finally, the cooperation between financials institutions in Luxembourg, e.g through the Banking Association (ABBL), is very close. As basically all players are acting internationally and the vast majority has corporate head office outside of Luxembourg, there are many joint interests between the market participants where we are joining forces.

Deutsche Bank

What are the top three features or products of corporate banking that have boosted your activity and motivated you to maintain your operations in Luxembourg?

Deutsche Bank in Luxembourg is Deutsche Bank Group's Corporate and Investment Bank centre of competence for bilateral, structured, or syndicated lending, specialized financing transactions, and trust and agency services. Our activities are largely

centred around this and relevant related services. Our expertise in this area has contributed to the location having been built out as a hub for the Group which continues to be on a growth path also into the next years.

What do you appreciate most about living and working in Luxembourg?

Luxembourg is a unique place. While it is small geographically and in terms of citizens, it does not feel small in day-to-day life. The city rather has a metropolitan flair to it if you look at the brands, shops, businesses, restaurants, and cultural offerings. Luxembourg is extremely international. You hear plenty of languages being spoken on the streets, the business language is English, all relevant financial players are present in Luxembourg, and Luxembourg is playing in a league that you would not expect just judging from its size.

Luxembourg is also great for families. It is safe, the public transportation is free, and there are plenty of opportunities for international schooling or schools teaching in the English language.

Luxembourg embeds influence from all of its three neighbours and is connected well to Europe which makes it a very attractive location to live and work in.

Intesa San Paolo

With a presence in the Grand Duchy dating back to 1976, Intesa San Paolo Bank Luxembourg S.A is an integral part of the Intesa San Paolo Banking Group, one of the largest European banking groups, and offers a wide array of services out of Luxembourg (corporate lending and securitisation; cash management and transaction services; trade and structured export finance; asset management and private banking).

What factors influenced your decision to establish operations in Luxembourg, and what has motivated you to continue operating here?

Luxembourg offers a combination of regulatory stability, strong governance, and a reliable legal framework. Its international connectivity, multilingual workforce, and long-standing political and economic stability were key drivers in our decision to establish operations here. Additionally, Luxembourg's

favourable double taxation treaties (DTTs), low and stable debt levels, and the ability to provide cross-border lending and multi-currency account services continue to motivate us to maintain and grow our presence in the country.

How has the Luxembourg market helped you expand into other regions, especially within Europe and beyond?

Luxembourg's strategic location in the heart of Europe and its role as a key financial center within the EU regulatory framework have significantly supported our regional expansion.

Its well-developed infrastructure and international connectivity have enabled us to reach our different stakeholders across multiple jurisdictions efficiently.

How has Luxembourg's ecosystem supported your business activities?

The Luxembourg ecosystem provides access to both local and international expertise, which has been instrumental in advancing our corporate banking offerings. The presence of key service

providers in areas such as regulatory advisory, ICT governance, legal, accounting, and tax has created a supportive and highly professional environment for business development.

What are the top three corporate banking features or products that have boosted your activity and motivated you to maintain your operations in Luxembourg?

A key driver of our growth in Luxembourg has been our cross-border lending capabilities, which allow us to support clients in multiple jurisdictions with tailored financing solutions. Within this, project finance and fund financing activities have been particularly significant, representing the main areas where we have expanded

our presence and built long-standing client relationships. In addition, our payment solutions and cash and liquidity management services have contributed to strengthening our corporate banking offering and remain essential in supporting the international activities of our clients.

Intesa San Paolo

Could you provide specific examples of advanced cash management solutions that you've implemented for clients in Luxembourg?

We currently offer cash management products and provide these solutions to our clients. However, this remains an area where we are actively working to further develop, enhance, and expand

our capabilities. At this stage, we do not yet have specific examples of advanced cash management implementations to share, but strengthening this activity is a clear priority for us going forward.

Which growth market trends in recent years have benefited your organisation, and what trends do you expect will impact your business in the future?

In recent years ESG financing has played a key role, as Luxembourg has established itself as a global hub for sustainable finance. We have also benefited from fund financing solutions.

Future trends include the digital transformation of the banking sector and the growing role banks will play in supporting companies through their own digital transitions.

What do you appreciate most about living and working in Luxembourg?

Luxembourg offers a unique blend of an international, multicultural environment and a high quality of life. The strong institutional framework, open dialogue between the public and private sectors,

and an increasingly efficient public transport system contribute to an enriching professional and personal experience.

J.P. Morgan

With more than 50 years in Luxembourg, J.P. Morgan delivers leading financial services and products (asset management, private banking, securities services, treasury services etc.) to a diverse and sophisticated client base from its Grand Duchy hub.

What factors influenced your decision to establish operations in Luxembourg, and what has motivated you to continue operating here?

For over 50 years, J.P. Morgan strategically has operated Corporate Banking activities in Luxembourg, recognising the country's pivotal role as a financial hub in Europe. Luxembourg's stable political and economic climate, along with its highly skilled workforce, has helped facilitate our organic growth in the market. Establishing a local

hub aligns with our commitment to proximity with our clients, enabling us to deliver exceptional service. This strategic location serves as a booking center for core cash and treasury services, which is integral to the Commercial and Investment Bank (CIB) franchise and is fully integrated into our corporate banking value proposition.

How has the Luxembourg market helped you expand into other regions, especially within Europe and beyond?

Our Corporate Banking franchise is designed to offer a comprehensive suite of services across Europe and globally. With Frankfurt being home to our EU headquarters, and regional branches like Luxembourg, we provide differentiated services within the CIB. Luxembourg

serves as a strategic hub for Payments, importantly. This strategic positioning allows clients to tap into our regional footprint for a diverse range of products, tailored to meet the specific needs of Corporate Bankers.

How has Luxembourg's ecosystem supported your business activities?

Luxembourg's robust financial ecosystem, characterised by a progressive regulatory framework and innovative financial services, has been instrumental in supporting our

clients' business activities. Besides, our collaboration with the ABBL has facilitated impactful initiatives, fostering market development and creating new opportunities for growth.

What are the top three features or products of corporate banking that have boosted your activity and motivated you to maintain your operations in Luxembourg?

J.P. Morgan has successfully designed and executed multi-entity, multi-currency liquidity structures that centralise and optimise global liquidity. By leveraging our extensive experience and cutting-edge technology, we have enabled clients to connect liquidity pools across regions, globally. This approach not only enhances visibility and control over global cash positions

but also reduces working capital costs by minimising localised liquidity buffers and idle cash. Our solutions are tailored to meet the unique needs of each client, ensuring seamless integration and real-time monitoring capabilities through APIs and secure connections. This allows clients to strategically manage their liquidity, optimise funding, and achieve same-day value for their balances.

J.P. Morgan

Which growth market trends in recent years have benefited your organisation, and what trends do you expect to impact your business in the future?

The digital transformation of the financial industry has been a major driver, enabling us to enhance operational efficiency and deliver innovative solutions to clients. The rise of instant payments has revolutionised transaction processing, allowing us to offer faster and more reliable services, which are increasingly demanded by both corporate and retail clients. Additionally, the expansion of cross-border trade has opened new avenues for growth, as businesses seek seamless and efficient financial solutions to support their international operations.

Looking to the future, we anticipate several emerging trends that will shape the business landscape. The demand for ubiquitous instant products is expected to surge, driven by the need for real-time financial transactions and enhanced customer experiences. Our Kinexys platform is well-positioned to

cater to this demand, offering cutting-edge solutions that meet the evolving needs of our clients. Kinexys Digital Payments, a robust blockchain-based solution, facilitates programmable, near real-time, multicurrency payments 24/7, optimising liquidity and streamlining global fund movements. With over \$1.5 trillion in transaction volume since inception, it empowers seamless intra-company payments and commercial settlements, significantly reducing the need for prefunding and credit lines.

Furthermore, the integration of digital banking solutions through APIs is set to become a cornerstone of financial services, enabling seamless connectivity and personalised offerings. As these trends unfold, J.P. Morgan remains committed to leveraging its global expertise and innovative capabilities to deliver exceptional value to our clients.

Can you share examples of how Luxembourg's AAA rating has positively impacted your funding costs or operational efficiency?

This top-tier credit rating reflects the country's robust economic stability and prudent fiscal management, which in turn enhances the confidence of our clients in establishing and expanding their operations within Luxembourg. The AAA rating effectively reduces funding costs by providing access to more favourable financing terms and lower interest rates, which are passed on to our clients, enabling them to optimise their capital structures and investment strategies.

Furthermore, the stable and predictable financial environment fostered by Luxembourg's AAA rating supports efficient operational planning and execution. This stability attracts a diverse range of international clients seeking a secure base for their European operations, thereby contributing to the growth of our client portfolio. The increased client presence has driven demand for our comprehensive suite of corporate banking products, allowing us to expand our offerings and deliver tailored solutions that meet the evolving needs of our clients.

What do you appreciate most about living and working in Luxembourg?

With over 20 years of experience living and working in Luxembourg (**Sara Berujon**, JPMSE Luxembourg Branch, Payments Country Head), I appreciate its high quality of life, multicultural

work environment, and excellent infrastructure. These attributes make Luxembourg an attractive place for both personal and professional growth.



PwC Luxembourg (www.pwc.lu) is the largest professional services firm in Luxembourg with over 3,600 people employed from 90 different countries. PwC Luxembourg provides audit, tax and advisory services including management consulting, transaction, financing and regulatory advice. The firm provides advice to a wide variety of clients from local and middle market entrepreneurs to large multinational companies operating from Luxembourg and the Greater Region. The firm supports its clients in creating the value they are looking for by contributing to the smooth operation of the capital markets and providing advice through an industry-focused approach.

At PwC, we help clients build trust and reinvent so they can turn complexity into competitive advantage. We're a tech-forward, people-empowered network with more than 370,000 people in 149 countries. Across audit and assurance, tax and legal, deals and consulting we help build, accelerate and sustain momentum. Find out more at www.pwc.com and www.pwc.lu.

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