



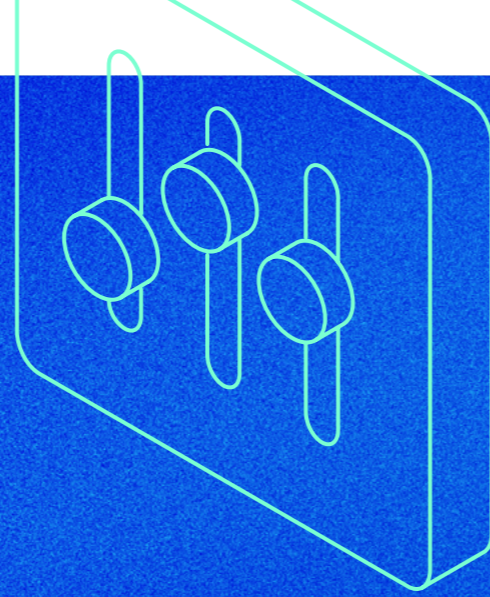
Association des Banques et Banquiers, Luxembourg  
The Luxembourg Bankers' Association  
Luxemburger Bankenvereinigung



# Annual Report

2025



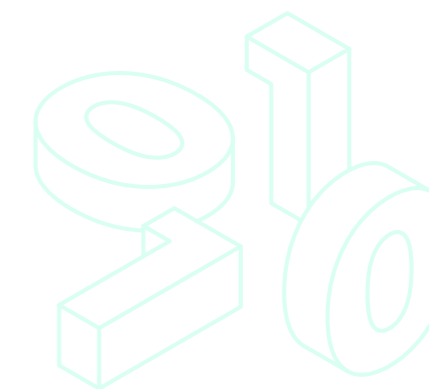


## Our Vision

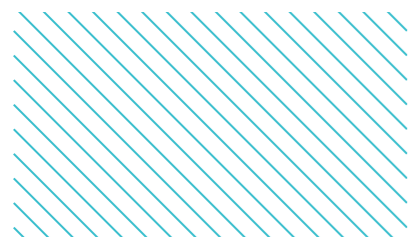
At the heart of Europe, Luxembourg's dynamic financial centre drives sustainable growth, empowering businesses to compete globally while fostering lasting prosperity for citizens.



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When banks are constrained unnecessarily, the real economy is constrained.

← ..... Yves Stein  
Chairman of the ABBL



Dear fellow citizens, dear stakeholders,

Luxembourg is a prosperous country. Our social model is strong. Our public services are reliable. Our quality of life is high.

But this comfort does not fall from the sky. It rests on a simple foundation: a competitive and resilient economy. And at the heart of that economy stands our financial centre.

**If Luxembourg wishes to continue offering security and opportunity to its citizens, it needs a strong financial centre. And if it needs a strong financial centre, it needs a strong ABBL.**

For decades, Luxembourg and Europe prospered in a world shaped by cooperation, clear rules and mutual trust between nations. The international framework built after the Second World War created a degree of stability that allowed trade to expand, investment to flourish and financial systems to support long-term growth. Predictability was the norm. Uncertainty the exception.

Today, that framework is under strain. Across the world, established rules are being questioned. Geopolitical tensions increasingly shape economic decisions. And international cooperation is becoming more fragile.

When predictability erodes, confidence becomes more fragile. And confidence is the foundation on which trade, investment and financial stability are built.

In such an environment, uncertainty rarely leads to sudden collapse. More often, it leads to hesitation: shorter horizons, higher costs, delayed investment and greater caution. And the price of that hesitation is ultimately paid by the real economy.

This is precisely why **resilient institutions and strong economic actors matter more than ever.**

In the 1980s, many believed that the financial centre would grow almost by itself. That era is over. Today, competition is global.

The framework conditions for our sector are increasingly defined at European and international level. That is precisely why we must be present, prepared and proactive.

**We must defend our interests. We must explain our model. And we must help shape the rules under which we operate.**

That is precisely the role of the ABBL.

**The ABBL does not merely administer. It shapes. It does not simply react. It acts. It is not a spectator. It is a driving force.**

This is not a question of posture. It is our mandate.

**ABBL's mission is clear: to represent the sector in all its diversity and to promote regulated, innovative and responsible financial services in the interest of Luxembourg and Europe.**

These three pillars are not communication slogans. They are the operational expression of our responsibility.

If Luxembourg needs a strong financial centre, and if that financial centre needs a strong and united voice, then that voice must stand on solid principles. Regulation. Innovation. Responsibility.

Together, they define what resilience means in practice.

Let me explain how.

**There is no question that banks require regulation.** After the excesses of the past, stronger rules were necessary. They have made our system more solid and more credible.

But today, **Europe faces another risk: not instability, but rigidity.** An accumulation of rules that are sometimes redundant or contradictory. A tendency to eliminate risk entirely and with it, risk-taking.

**Yet without risk-taking, there is no investment.** Without investment, there is no growth. And without growth, there is no social progress.

European banks finance nearly 80% of companies' funding needs. When banks are constrained unnecessarily, the real economy is constrained.

But the current debate on regulatory simplification must not be misunderstood.

It is not about removing safeguards. It is not about returning to the excesses of the past. And it is certainly not about weakening financial stability.

The solidity of our banking system is a hard-earned achievement. It protects savers, businesses and taxpayers. That must not be put at risk.

What is at stake is something different: eliminating unnecessary complexity, removing overlaps and contradictions, and ensuring that rules are proportionate to the risks they address.

In other words, **the objective is not fewer rules at any price. It is better rules — clearer, more coherent and more effective.**

Because resilience does not mean multiplying constraints. It means having a framework that is robust where it must be robust, and flexible where it needs to enable financing, investment and growth.

The ABBL actively contributes to this debate in Luxembourg, in Brussels and at international level. Because if we are not at the table, we are on the menu

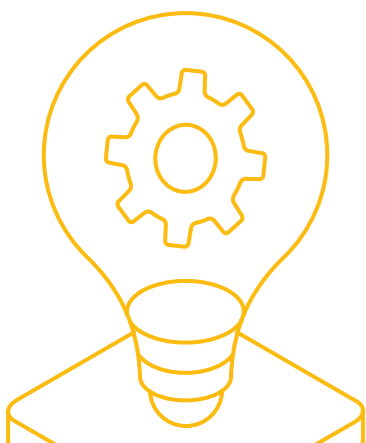
**Resilience in a digital world requires constant adaptation.** The pace of cyberattacks, new competitors, artificial intelligence, digital-native clients is accelerating.

Globally, the financial sector is the most targeted by cyberattacks, even if it is not the sector most affected by successful breaches.

This reflects the scale of the threat, but also the strength of the defences that have been built. Yet vigilance must remain constant. Cyber resilience is never acquired once and for all.

Our members invest massively in digitalisation, in cyber resilience and in new services. But **innovation must serve clients and the economy, not be consumed entirely by reporting obligations and administrative complexity.**

Through initiatives such as our Innovation Cluster and our work on responsible Artificial Intelligence (AI), the ABBL brings together decision-makers to strengthen competitiveness and security. We do not talk about the future. We prepare it.



**Responsibility begins with sustainability.** European banks remain firmly committed to financing the transition to a more sustainable economy. But clarity and coherence in the regulatory framework are essential.

**Responsibility also means strengthening Europe's capacity to finance itself.** Bank lending alone will not be enough. Savings must flow more efficiently towards productive investment. This requires trust and **financial literacy.**

That is why the ABBL and the *Fondation ABBL pour l'Éducation Financière* actively promote financial education. A resilient financial system depends on informed citizens.

**And responsibility means investing in people.**

Today, 82% of our workforce is non-Luxembourgish. These highly skilled professionals choose Luxembourg — but they could choose elsewhere.

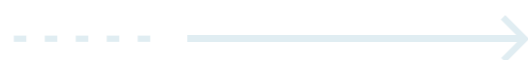
If we want to attract and retain talent, we must maintain an attractive, sustainable and balanced social model. This is not a luxury, but a competitive necessity.

This is why the ABBL engages constructively in social dialogue on pension reform, on labour law, on training. **Within employers' organisations, we are a responsible and moderate force for change.** We seek solutions that contribute to protecting jobs, creating opportunities and preserving competitiveness.

**The ABBL operates in a constant balancing act.**

**We must address challenges that are very concrete and very local.** Questions such as housing affordability or the smooth functioning of everyday banking services, including the opening of accounts, directly affect citizens, businesses and the attractiveness of our country.

At the same time, **we must remain fully engaged on the international stage.** Luxembourg's financial centre operates in a highly competitive global environment. Preserving and strengthening its competitiveness is not an abstract objective. It means helping to safeguard thousands of highly qualified jobs and the prosperity they help generate for the country.



And alongside these local and international responsibilities, **we must constantly absorb profound technological change.** Artificial intelligence, tokenisation and new business models, from fintech innovators to neo-banks are reshaping financial services at great speed.

Reconciling these different pressures requires judgement and balance.

**The ABBL must be attentive to immediate concerns while keeping a clear focus on structural challenges.** It must embrace innovation while preserving stability. And it must always look beyond short-term gains to protect the long-term resilience of Luxembourg's financial centre.

That is the responsibility that comes with representing such a central sector of our economy.

**Dear fellow citizens, dear stakeholders,**

**The ABBL is a representative force.**

We bring together an ecosystem that is essential for Luxembourg — not only retail and commercial banks, but also private banks, custodians, digital and specialised institutions, payment actors and other financial service providers.

Our members range from long-established domestic institutions to international groups headquartered across Europe, the United States, Asia and beyond. They differ in size, business model and client focus. Some serve households and SMEs. Others finance global corporations or manage international assets. Some are rooted in Luxembourg's history. Others have chosen Luxembourg as their European gateway.

**This diversity is not a weakness. It is our strength.**

**But diversity only works if it is organised and represented.** That is precisely the role of the ABBL. It provides a common platform where institutions of different sizes, origins and business models can speak with one voice when it matters.

Because it gives the ABBL legitimacy. It gives us credibility. And it gives us responsibility.

When we speak, we speak on behalf of a sector that reflects Luxembourg itself: open, international, diverse and interconnected.

Luxembourg has always thrived on openness. From the Schueberfouer in the 14<sup>th</sup> century to the development of steel, media and finance, Luxembourg has grown by connecting people, capital and ideas.

**In a world where some build walls, we must defend openness anchored in clear rules, legal certainty and reliability.**

At a time when the international framework that has long provided stability is evolving and uncertainty is becoming a structural feature of our global environment, these principles are more important than ever.

An open, well regulated, innovative and responsible financial centre is not a contradiction. It is Luxembourg's model. And it is a model that works.

**Resilience is not about resisting change. It is about shaping it.**

The ABBL will continue to do exactly that with clarity, determination and a strong sense of responsibility towards this country and its citizens.

Yours sincerely,

**Yves Stein**

Chairman, ABBL



## Dear Members,

Resilience has become the defining discipline of our industry.

In 2025, your institutions operated in an environment marked by geopolitical uncertainty, sustained regulatory intensity and accelerating digital transformation. In such a context, resilience is not merely about absorbing shocks, it is about remaining competitive, preserving trust and continuing to finance the real economy.

The role of the ABBL is to ensure that this resilience is collective, structured and forward-looking.

## Ensuring Stability While Safeguarding Competitiveness

The regulatory agenda remained exceptionally dense throughout 2025, with a succession of major reforms reshaping the operating environment. The Capital Requirements Regulation III (CRR3) entered into application, the Capital Requirements Directive VI (CRDVI) moved closer to national transposition, and Omnibus I significantly recalibrated the sustainability reporting framework. At the same time, the Payment Services Directive 3 (PSD3) and the Payment Services Regulation (PSR) continued to progress through trilogues, and key files such as the Faster and Safer Tax Excess Relief Directive (FASTER), the 8<sup>th</sup> amendment on the Directive on Administrative Cooperation (DAC 8), the securitisation reform and the move to the Trade date plus one day settlement cycle (T+1) further illustrated both the pace and the breadth of regulatory transformation.

In this environment, our priority was clear: to promote regulation that safeguards stability while preserving competitiveness.

**Our position paper “Proposals towards smarter financial regulation in Europe”**, structured around forty concrete recommendations, became a cornerstone of our advocacy. Complemented by the ABBL/EY Cost of Regulation Survey 2025, it provided an evidence-based foundation for engaging policymakers on proportionality, reporting efficiency and supervisory coherence.

**At European level**, our Brussels office intensified dialogue with EU institutions, contributing to defending our members' and Luxembourg's interests on key files, including the Digital Euro, Financial Data Access (FIDA), and the Omnibus I on sustainable finance.

Resilience requires strong rules — but also workable and proportionate ones.

At national level, the ABBL continued to play a pivotal role as a trusted interface between the banking sector, the Ministry of Finance and the Commission de Surveillance du Secteur Financier (CSSF). By maintaining a close and constructive dialogue with public authorities and supervisors, we ensured that the voice of the industry was heard, while contributing pragmatically to the shaping and implementation of regulatory and policy initiatives in Luxembourg.

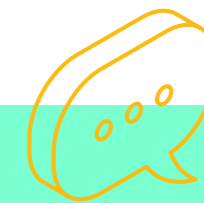
## Strengthening Operational and Digital Resilience

2025 was also the first full year of application of the Digital Operational Resilience Act (DORA). Through structured exchanges with supervisors, practical guidance and coordination initiatives — including the launch of a pooled DORA audit Request for Proposal (RFP) — **we supported members in embedding digital operational resilience into governance and third-party risk management frameworks.**

**Cybersecurity and fraud prevention remained top priorities.** The launch of Luxembourg's first national campaign against online fraud, alongside the implementation of Verification of Payee (VoP) and the generalisation of instant payments, strengthened trust in digital transactions and demonstrated the effectiveness of coordinated action across the ecosystem.

2025 also marked a structural evolution within the ABBL itself with the **creation of a sixth Business Cluster dedicated to Innovation.**

This new cluster reflects the transversal importance of innovation for the industry. Bringing together C-level representatives, it addresses innovation not as a technical matter, but as a strategic lever for resilience and competitiveness. Its work spans a broad range of innovation-related topics, while initially prioritising cybersecurity, as a prerequisite for trust in a digital environment and the preservation of Luxembourg's competitive edge in the face of rapid technological transformation.



Our diversity gives legitimacy to our voice and strength to our advocacy.

Jerry Grbic  
CEO of the ABBL

By elevating innovation to cluster level, we acknowledge that digital transformation now affects governance, business models, regulatory interaction and talent strategies alike. It therefore requires strategic coordination across institutions and across the financial centre.

**Within the Haut Comité de la Place Financière (HCPF), we continued to contribute actively to shaping the digital strategy of the financial centre** and played a key role in crafting a 10-point action plan to accelerate responsible AI adoption.

Operational resilience, cybersecurity and innovation are interconnected dimensions of long-term competitiveness.

## Enhancing Market Efficiency and Strategic Autonomy

A resilient financial centre must also ensure efficient capital allocation and a supportive business environment.

Through our engagement on the **Savings and Investments Union** and the Finance Europe Label, we contributed to discussions aimed at mobilising European and Luxembourgish savings towards long-term productive investment.

At national level, **we worked to reduce friction in key areas such as access to professional bank accounts, Know Your Customer (KYC) standardisation and housing-related financing frameworks.** Particular attention was devoted to ongoing discussions concerning the opening of bank accounts for companies active in the

defence sector, an area characterised by heightened due diligence expectations, complex risk assessments and increased sensitivity in the current geopolitical context. In this domain, the ABBL positions itself as a constructive facilitator between the industry, its members and the authorities, promoting clarity, proportionality and legal certainty while fully respecting regulatory and compliance obligations.

In parallel, and again at HCPF-level we worked on **further enhancing Luxembourg's toolbox**, notably in areas such as family governance and wealth planning for family businesses. Strengthening these dimensions is essential to consolidating Luxembourg's position as a holistic and forward-looking wealth management hub, capable of addressing increasingly complex cross-generational and international client needs.

By facilitating dialogue between banks, authorities and market participants, we seek to strengthen Luxembourg's ecosystem as a whole.

Resilience is built not only within institutions, but across the environment in which they operate.

### Investing in Talent and Social Stability

Human capital remains the cornerstone of long-term competitiveness.

**In 2025, we reinforced our talent strategy** through the Comparative Study on Financial Professions, the launch of the ABBL Masterclass in Wealth Management, the development of a Career Hub and strengthened campus engagement. Our DE&I guidelines and continued support of the Women in Finance Charter further contribute to inclusive and sustainable organisational models.

Beyond skills development, access to **affordable housing** has emerged as a structural factor in maintaining Luxembourg's attractiveness for young professionals. We continued to advance our project aimed at developing affordable lodging solutions for young talent in the financial sector. This initiative reflects our broader commitment to tackling competitiveness challenges not only at institutional level, but also within the wider ecosystem in which talent lives and works.

**Constructive social dialogue**, which the ABBL has consistently supported, remained central to our action. In discussions on labour law and pension reform, we consistently advocated for balanced solutions that preserve flexibility while maintaining Luxembourg's

attractiveness as an international financial centre.

Resilience is not only financial and operational — it is also social.

### The ABBL: A Common Platform for Collective Strength

Beyond advocacy, the ABBL remains your platform for coordination, expertise and exchange.

In 2025:

21 new members joined the Association.

Some 3,000 professionals actively shaped the direction of our financial centre by contributing to our committees and working groups.

50 events brought together more than 5,000 participants.

22 opinion on EU and national consultations were submitted.

These figures reflect more than activity. They reflect engagement. Our strength lies in the depth and diversity of your expertise.

The ABBL is more than a representative body. It is a common house: a place where institutions of all sizes, domestic and international, universal banks and specialised players, are represented, heard and defended. **Our diversity gives legitimacy to our voice and strength to our advocacy.**

But representativeness requires engagement. It requires expertise, commitment and collective responsibility. The credibility of our voice depends on the active contribution of our members.

**Resilience also requires that our own model remains robust and future-proof.** The ABBL is financed by the contributions of its members — a structure that reflects both independence and collective ownership. Yet the ecosystem in which we operate is evolving. Market consolidation and limited workforce growth are reshaping the landscape of representation.

In this changing environment, ensuring that our financing framework remains sustainable, equitable and aligned with market realities is part of our responsibility. This reflection is not about altering our principles; it is about preserving our capacity to act with strength, expertise and independence over the long term. A resilient association must periodically reassess its own foundations, just as the institutions it represents do.

Internally, we continued to evolve. We streamlined our organisation, sharpened the strategic focus of

our management team, and launched a new website and extranet to enhance member interaction. At the same time, through targeted strategic exchanges between ABBL management and the leadership of valued members, we moved closer to our members' needs and strengthened our ability to respond swiftly and effectively. This is an approach we will continue to build on in 2026 guided by our corporate values: expertise, agility, responsibility and team spirit.

Our challenges are many: regulatory complexity, technological acceleration, competitive pressure and evolving social expectations. Meeting them effectively demands cohesion.

Unity is not simply a principle; it is a strategic necessity.

**In times of transformation, fragmentation weakens influence. Cohesion strengthens it.**

Only by acting together can we defend our interests with authority.

Only by speaking with one voice can we sustain competitiveness.

Only through collective engagement can we shape the future of our financial centre.

We move forward in this spirit, confident, responsible and united.

### 2026: Competitiveness and Collective Responsibility

If 2025 was about strengthening our foundations, 2026 will be about shaping the conditions for future competitiveness.

At European level, **the consultation on banks' competitiveness is a defining milestone for our industry.** It opens a necessary reflection on the cumulative impact of regulation, supervisory expectations and reporting obligations on banks' ability to compete globally and finance Europe's ambitions.

This consultation is not about deregulation. It is about ensuring that the European banking framework becomes more proportionate, coherent and conducive to investment, innovation and growth. A resilient European banking sector must also be a competitive one.

The ABBL is fully mobilised in this debate, drawing on the expertise of its members and the analytical foundation built through our Cost of Regulation work and our proposals for smarter financial regulation. Our objective is

to contribute constructively to a framework that preserves financial stability while restoring Europe's competitive edge.

At national level, preparations will also begin for **negotiations on the future collective bargaining agreement.** These discussions will take place in a context shaped by digital transformation, evolving skill requirements, hybrid work models and demographic change.

Our approach will remain pragmatic and forward-looking: to help shape a framework that preserves employment attractiveness, supports productivity and maintains the social stability that underpins Luxembourg's competitiveness. A modern and balanced labour environment is an essential component of resilience.

### Dear Members,

Resilience is not a static achievement. Anticipating change and adapting responsibly is a continuous collective effort.

The ABBL remains fully committed to standing by your side and to defend your interests with credibility, support your transformation with expertise, and ensure that Luxembourg's financial centre continues to thrive in a complex and uncertain world.

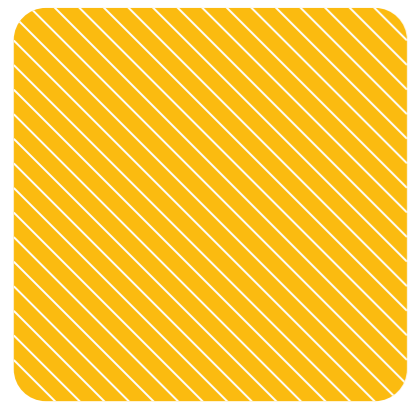
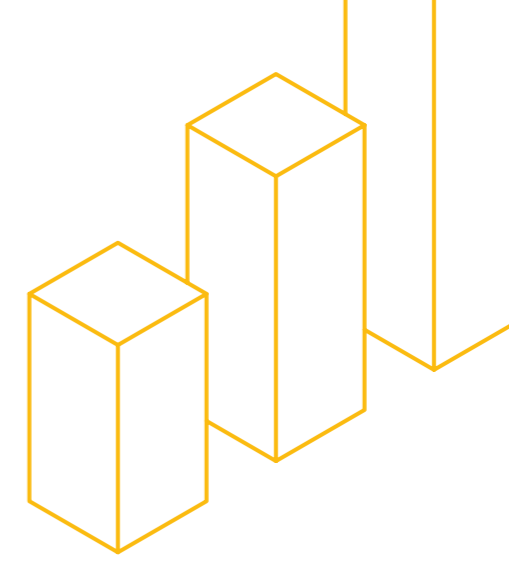
Sincerely,

**Jerry Grbic**

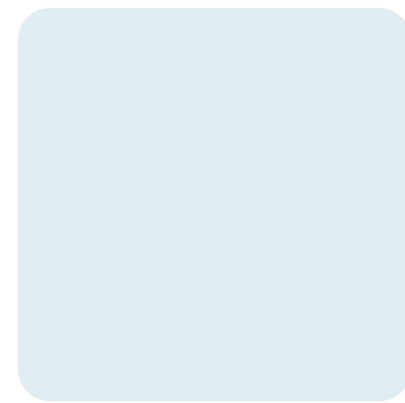
CEO, ABBL



# A Year at a Glance



**267**  
corporate members



**22**  
opinion papers on EU and national consultations



**19**  
meetings with representatives of EU Member States

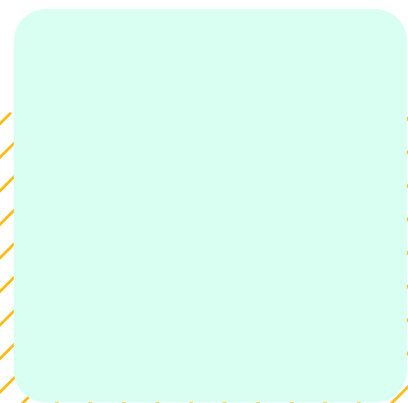
**21**  
new members



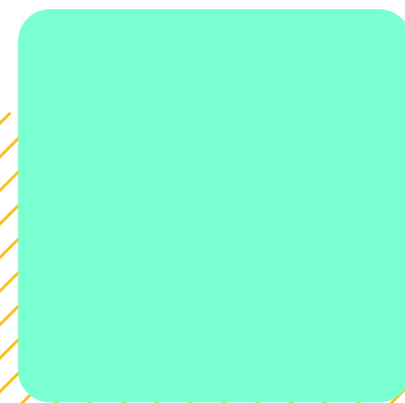
**3,000**  
experts and banking services professionals contributing to our activities



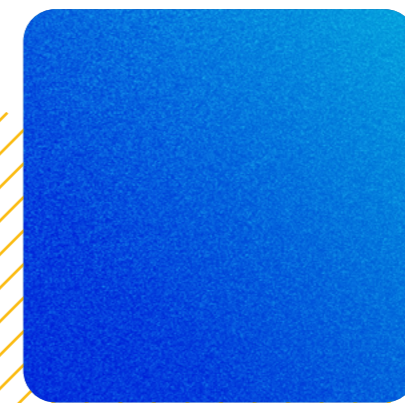
**4**  
sectoral surveys



**50**  
events organised with more than 5,000 participants



**10**  
new workstreams



**1**  
new cluster





**2**  
thematic surveys



**3**  
press conferences



**16.9K**  
followers on LinkedIn

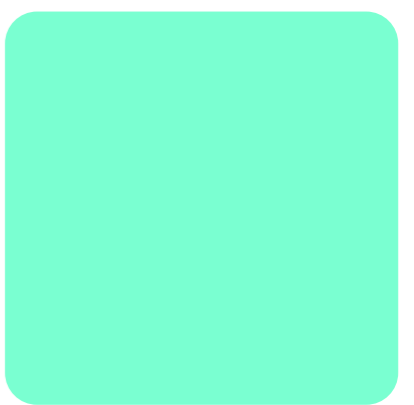
**2**  
new sets of guidelines



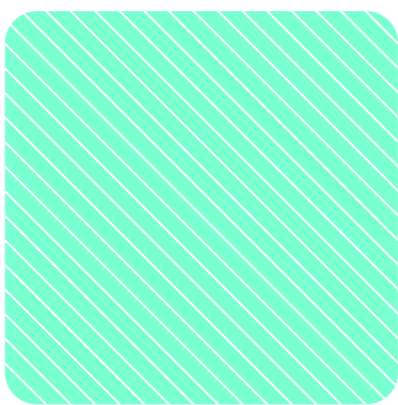
**50**  
interviews and answers to press requests



**39**  
newsletters



**13**  
press releases



**156**  
published news



**1**  
new website and extranet platform



# 01

## Snapshot of the Luxembourg Banking Sector



The Luxembourg banking sector comprises **116 banks**, along with numerous other financial institutions and organisations that bolster the sector.

On average over recent years, the banking sector has represented **a large proportion of the financial sector's gross value added to the Luxembourg economy**. Productivity has also remained strong, with high value added generated per employee.

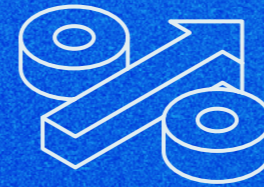
The banking centre's **contribution in terms of tax revenues was EUR 1.97 bn** (+12.2% compared to 2024). Banking is the second-largest contributor within the financial sector to tax revenue (excluding TABO) behind financial holding companies.

Notably, the banking sector alone employs over **26,000 individuals** directly.

Sources: LFF, CSSF.

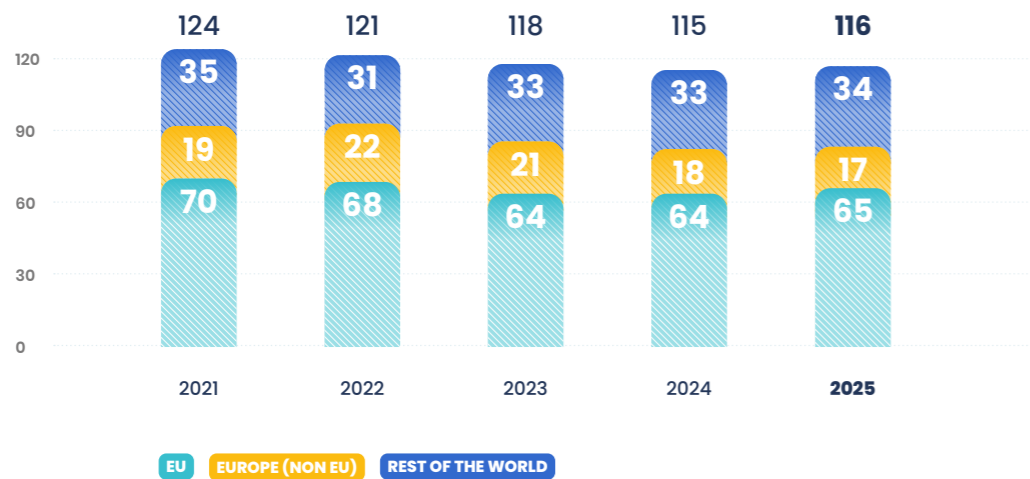
# General Figures

(31.12.2025)



## Number of Banks authorised in Luxembourg

(Source: Banque Centrale du Luxembourg - BCL)



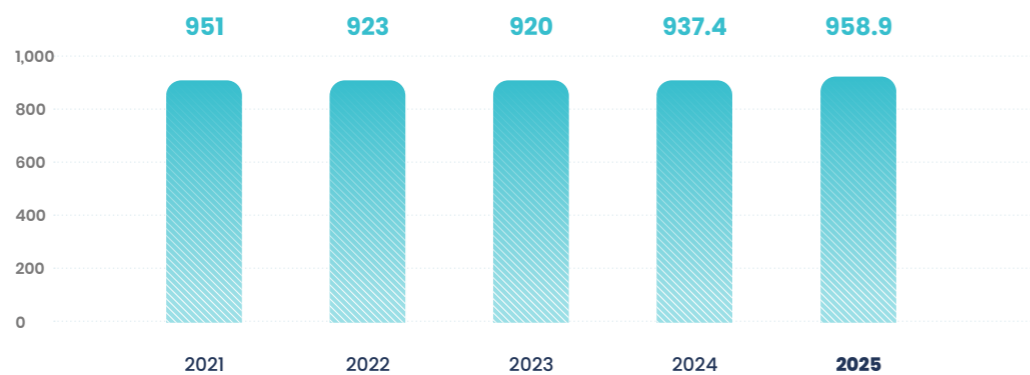
## Banks' Profit and Loss

(Source: Commission de Surveillance du Secteur Financier (CSSF))

in million EUR (Jan. – Dec.)	2024	2025	Variation
Net interest income	10,698.8	10,392.9	-2.9%
Net fee and commission income	6,255.7	6,393.6	2.2%
Other net operating income	1,063.8	1,225.6	15.2%
<b>Total operating income</b>	<b>18,018.3</b>	<b>18,012.1</b>	<b>0.0%</b>
Staff Expenses	3,519.0	3,703.2	5.2%
Total other administrative expenses	4,714.4	4,877.1	3.5%
<b>General expenses</b>	<b>8,233.4</b>	<b>8,580.4</b>	<b>4.2%</b>
<b>Profit before provisions and taxes</b>	<b>9,784.9</b>	<b>9,431.8</b>	<b>-3.6%</b>
<b>Net profit</b>	<b>7,235.7</b>	<b>6,846.0</b>	<b>-5.4%</b>

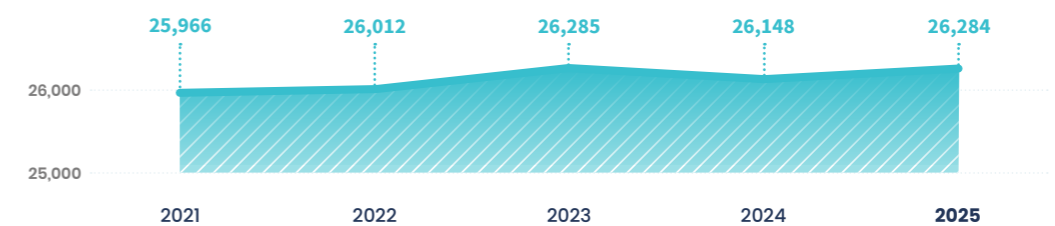
## Banks' Total Balance Sheet in bn EUR

(Source: CSSF)



## Employment within the Banking Sector

(Source: CSSF)



# The Luxembourg Banking Services Centre

A collaborative and diversified Ecosystem



## Retail Banking

Luxembourg's retail banking sector plays a vital role in supporting both the national economy and the daily financial needs of its residents. With a highly diverse population and an international workforce, the sector offers adapted, inclusive, and accessible services for a wide range of customers.

**18,556 mortgage loans** were granted for properties located in Luxembourg (+18% compared to 2024).

Total volume of **€9.03 billion** (+15.6 compared to 2024).

Source: BCL

## Private Banking

Luxembourg-based private banks serve a diverse and international clientele – primarily high-net-worth individuals (HNWIs) and ultra-HNWIs, often families of entrepreneurs managing wealth across multiple jurisdictions.

**42 banks** active in private banking.

**N°1** private banking centre in the eurozone with 756bn AuM.

**90%** of clients domiciled in Europe.

Source: ABBL - KPMG - CSSF Private Banking Survey, December 2024 figures.

## Corporate & Institutional Banking

Luxembourg's CIB sector plays a critical yet understated role within its globally renowned financial ecosystem. It supports the complex financial needs of corporations, institutions, and investment structures across Europe and beyond.

**70%** of corporate lending in Luxembourg is focused on the international market.

Source: ABBL - PWC - CSSF Corporate Banking Survey, December 2024 figures

## Depository & Custodian Banking

As the world's second-largest fund domicile, Luxembourg stands at the heart of the global investment fund industry. At the core of this ecosystem lies the Depository and Custodian Banking sector – a critical infrastructure that underpins the safety, compliance, and operational integrity of investment funds distributed across Europe and beyond.

**7.54tn Assets under Deposit (AuD)** and **3.95tn Assets under Custody (AuC)** respectively.

Source: ABBL - KPMG - CSSF Depository & Custodian Banking Survey, December 2024 figures.

## E-money & Payment institutions

Services meeting the needs of a digital economy, from consumers who increasingly shop online, to SMEs eager to expand cross-border, to merchants who need real-time cash flow visibility, and large corporates focused on optimising liquidity and operational efficiency.

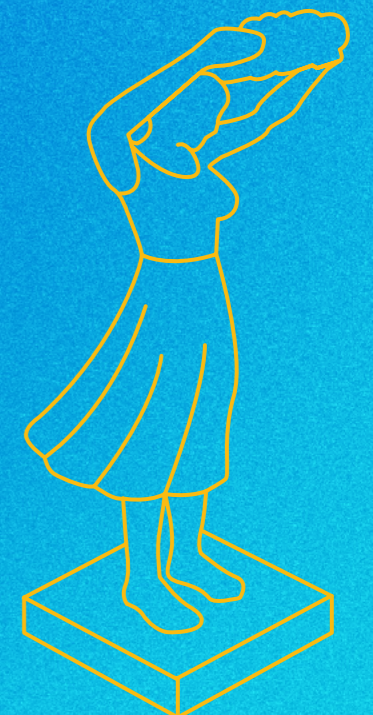
Luxembourg has established itself as a key European hub for payment and electronic money institutions, reflecting the attractiveness of its regulatory framework and international positioning.

As of 31/12/2025, Luxembourg hosts **18** authorised Payment Institutions (PI) and **13** Electronic Money Institutions (EMI), highlighting the country's growing importance in the European payments landscape.

Source: CSSF

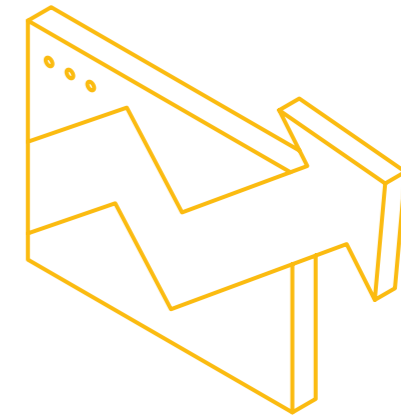
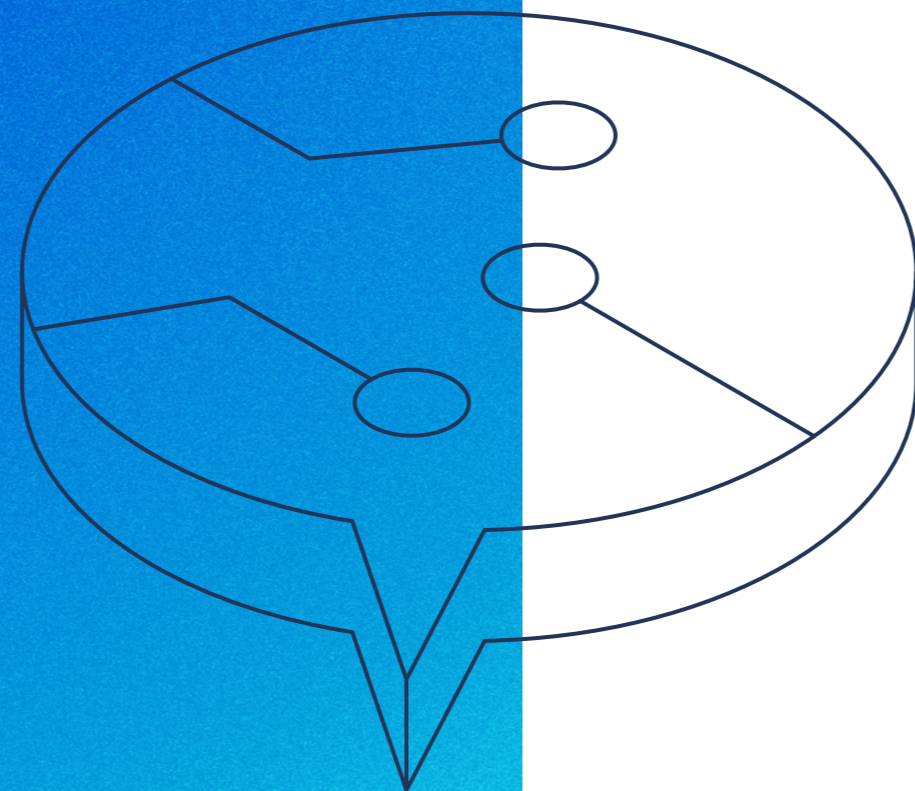
## A collaborative and diversified Ecosystem

investment firms, Professionals of the Financial Sector (PFS), consulting firms, law firms, fintechs, Crypto Asset Service Providers (CASP),...



# 02

## Resilience in the Financial Sector



Resilience is a defining feature of the financial landscape. Amid geopolitical uncertainty, technological change and shifting expectations, Luxembourg's financial sector must continuously adapt while remaining reliable and competitive.

The contributions in this section bring together perspectives from ABBL members and management on how resilience is built in practice – from risk management to innovation and talent. Together, they show that resilience is not only about absorbing shocks, but about shaping a future-ready financial sector.

# Competitiveness through Resilience: the CSSF's view.

## Chances for the Luxemburgish banking sector to further improve both

Resilience of the financial system, its subsectors and individual entities can be understood as the ability to withstand severe shocks, including unexpected ones, and to limit disruption of activity. Competitiveness of the financial sector and its actors can be understood as the ability to profitably and sustainably grow, innovate, and expand market shares, also internationally.

**By reducing uncertainty, resilience enables more straightforward and less costly economic decision-making**, particularly in a context of asymmetric information which characterises financial markets. Empirical studies have established and confirmed that resilience positively contributes to the long-term competitiveness of a financial sector. For instance, analyses by the Basel Committee on Banking Supervision show that stronger solvency positions allow banks to access cheaper funding, a prerequisite for competitive lending terms. Within **a business build upon trust**, financial players which are perceived as more resilient, in terms of their capital, liquidity and operational strength, do have better chances to attract depositors, other funding, or business partners. This is particularly true for the Luxembourg banking sector with its relative focus on wealth servicing activities where resilience is a key competitive edge. In addition, effective frameworks for crisis management facilitate – where needed – orderly market exits without systemic impacts and disruptions, thereby contributing to resilient and competitive banking markets.<sup>1</sup>

Also, competitive banks, with a strong profitability, are able to absorb losses out of ongoing profits, thus adding to their resilience. A virtuous spiral.

**However, resilience is not a free lunch and comes at a cost** – actually for both supervisory authorities as well as supervised entities. There is a balance to be struck.

While there is general agreement among international banking regulators<sup>2</sup> that **the Basel III reforms**, triggered by the 2008 financial crisis, provide for an adequate level of resilience as regards capital and liquidity buffers, recent debate has arisen over the practical implementation of such rules. EU regulators and supervisors came to admit that the strengthening of the EU regulatory and supervisory framework post-2008 resulted in undue complexities and excessive burden. Concrete proposals for simplification and burden reduction have been put forward.<sup>3</sup> At the same time, there is renewed focus by policymakers, in particular the EU Commission, on the competitiveness of the EU.

1 See e.g. BCBS (2022), Evaluation of the impact and efficacy of the Basel III reforms and FSB (2021), Evaluation of the Effects of Too-Big-To-Fail Reforms

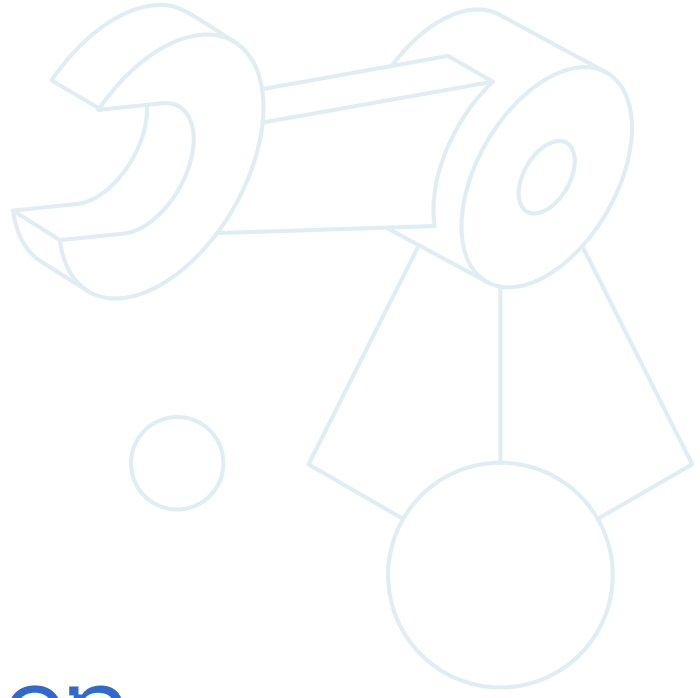
2 See e.g. Group of Central Bank Governors and Heads of Supervision (2026), Press Release of 9 March 2026. The European Digital Operational Resilience Act rounds off the Basel III reforms by providing an EU framework for strengthening operational resilience.

3 See e.g. the proposed action plans by the ECB (2025), the ECB/SSM (2025) and the EBA (2025) and, on the private sector side, e.g. ABBL (2025).

Resilience is not a free lunch and comes at a cost.

Claude Wampach  
Directeur, CSSF





# Concrete simplification and integration efforts must be accompanied by sound and balanced ex-ante impact assessments.

Michael Böhl  
Macprudential Division, CSSF



Particularly in a context of sluggish economic growth, intensifying geoeconomic conflicts and increasing fiscal strain, the question arises **how to strengthen the EU economy and its financial sector's competitiveness, while maintaining the level of resilience that prevents lasting damage from costly financial crises.**<sup>4</sup> Concrete simplification and integration efforts must be accompanied by sound and balanced ex-ante impact assessments, to ensure they sufficiently achieve the targeted public policy objective and public good, at the least cost and free from undue special interests. The EU legislative proposal of a general depositary passport appears to be an example of such special interests (here institutional ones, in concentrating supervisory powers<sup>5</sup>) slipping into the policymaking process, without likely benefits for EU competitiveness. It is important that Luxembourg's financial sector representatives such as ABBL and its members raise their voice at the appropriate EU levels on such matters.<sup>6</sup> Also, the implementation of each legislative change inherently causes one-off costs for supervised entities which need to be compensated by long-term, broader benefits. Hence **regulatory stability is to be favoured**, not least because it facilitates predictability and legal certainty. If change appears necessary, further to a robust cost/benefit analysis, such change should be brought about in a cost-efficient way and having due regard to the principle of proportionality.

Finally, in a fragmented world where severe shocks have become more common<sup>7</sup>, **both resilience and competitiveness benefit from insurance schemes against risks** too extreme for any individual entity to fully self-insure against. Concretely, Luxembourgish banks can further strengthen their resilience and ability to compete by improving their ability to benefit in times of systemic shocks from mutual insurance schemes to which Luxembourg and its banking sector financially substantially contribute (i.e. Eurosystem and SRF).<sup>8</sup> Moreover, one such crucial scheme still remains unavailable, with adverse effects on the resilience and the competitiveness of the EU banking sector. It is the missing third pillar of the Banking Union, i.e. the common deposit guarantee scheme, embedded in some at least minimally harmonised insolvency framework (e.g. with regard to claim enforcement and collateral seizure)<sup>9</sup>. Within the current debate over the strengthening of the single market, revived effort should be directed at finally achieving the Banking Union in that respect.

Active engagement in EU policymaking processes and optimal preparedness to benefit from EU level insurance schemes when needed, exemplify concrete actions available to the Luxembourgish banking sector and ABBL members to improve competitiveness while maintaining or even further strengthening resilience.

<sup>4</sup> See also the Preface in CSSF, Annual report 2024

<sup>5</sup> In that regard, see Marx (2025), Why EU centralisation won't fix fragmentation

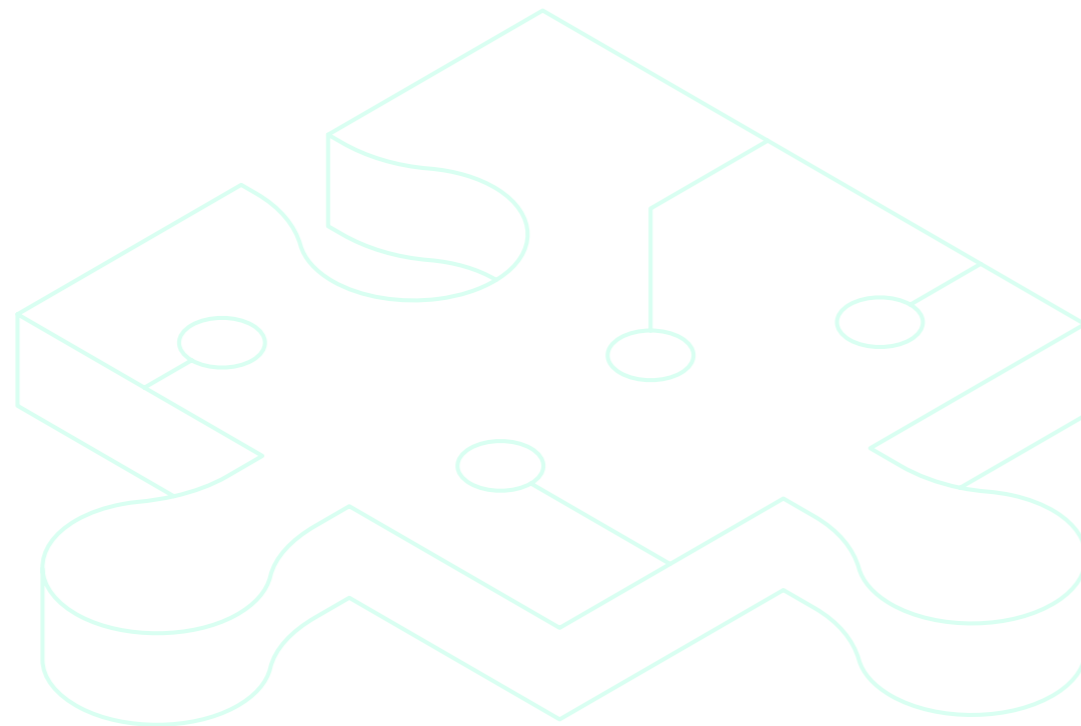
<sup>6</sup> E.g. EC (2026), Targeted consultation on the competitiveness of the EU banking sector

<sup>7</sup> See also ESRB (2026), Financial stability risks from geoeconomic fragmentation (Report & Annex) and ESRB (2025), Systemic liquidity risk: a monitoring framework

<sup>8</sup> See also Buch & Schnabel (2025), Managing liquidity in a changing environment and SRB (2022), Operational guidance on the identification and mobilisation on collateral in resolution

<sup>9</sup> See e.g. also Buch (2025), Introductory statement at the press conference on 2025 SREP results and supervisory priorities for 2026-28, EBA (2025), Report on benchmarking of national loan enforcement frameworks, and EP (2024), Banking Market Integration in Europe and Insolvency Law

# Integrating Geopolitical Considerations into Banks' Risk Management Frameworks



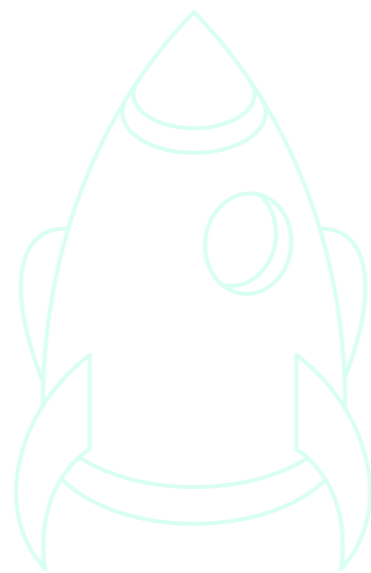
**In an increasingly fragmented and unpredictable environment, Luxembourg banks must evolve from a reactive posture to a systematic, holistic integration of geopolitical risk, in proportionality with their materiality. The ABBL plays a central role in promoting shared standards, good practices and sector-wide resilience, notably through its Banking Supervision Committee, the forum where Members' senior risk leaders and risk executives meet.**

## Understanding the nature and mechanisms of geopolitical risk

In a world where power balances are shifting and uncertainty has become structural, **geopolitical risk can no longer be treated as a distant or abstract concern.** It has entered the very fabric of financial activity. For Luxembourg banks—by nature open, international, and deeply interconnected—these developments are not peripheral. They are immediate, tangible, and, above all, systemic. This reality is further amplified by the **specific features of the Luxembourg ecosystem itself, where certain critical infrastructures and service providers play a central and sometimes concentrated role.** While these actors are pillars of efficiency and innovation, their prominence also creates potential single points of failure that, in times of geopolitical stress, could act as catalysts of systemic risk. Embedding geopolitical considerations into risk frameworks has therefore become both necessary and proportionate.

**Geopolitical tensions today express themselves through multiple channels:** the resurgence of economic blocks, the growing recourse to sanctions as instruments of policy, the fragmentation of technological ecosystems, and the increasing exposure to critical infrastructures. These forces do not create a new, isolated category of risk. Rather, they act as powerful accelerators, amplifying existing vulnerabilities across credit, market, liquidity, operational, and cyber risk. This is precisely why they must now be fully integrated into banks' risk management frameworks.

**To understand geopolitical risk, one first must recognise how it propagates.** A conflict or diplomatic rupture may trigger sudden market volatility (see, for example, the trend in oil prices against the backdrop of the current conflict in the Middle East), disrupt supply chains, or lead to abrupt regulatory constraints. A sanction regime may reshape client portfolios or funding sources overnight, possibly leading to failures, as was the case with Sberbank Europe AG consequent to the EU sanctions imposed on Russia following the outbreak of the conflict in Ukraine. Technological decoupling may expose dependencies on non-substitutable providers, like US cloud providers. And in an era where cyber threats are often intertwined with geopolitical tensions, the operational dimension becomes critical. What appears as an external shock rapidly translates into very concrete impacts on balance sheets, business models, and continuity of operations.



# Beyond prudential exercises geopolitical risks

must be incorporated into internal practices.

**Alexandre Depouhon**

Chief Risk Officer, Raiffeisen S.A.  
& Chairman of ABBL's Banking Supervision Committee



## Strengthening integration within risk management frameworks

Faced with this reality, banks must move from awareness to structured action. **The first step is clarity:** identifying and mapping exposures with precision. This means understanding where risks lie – across geographies, sectors, counterparties, and service providers – and recognising hidden concentrations or critical dependencies. In this respect, recent regulatory developments, including DORA, provide a valuable framework to better capture and monitor these interconnections, particularly in the area of ICT and third-party risk.

But identification alone is not sufficient. What matters is **the capacity to assess materiality and to translate it into decision-making.** Geopolitical considerations must therefore be embedded into the very core of risk governance: in risk appetite frameworks, in client onboarding and investment policies, in lending decisions, and in outsourcing strategies to cite a few. Not only must they inform what banks do, but also how they do it and where they choose to operate.

Geopolitical risk must also find its place at the heart of banks' forward-looking exercises. In adequacy processes such as the ICAAP and ILAAP, it is no longer sufficient to rely on traditional macro-financial assumptions. Institutions must explicitly integrate the effects of geopolitical tensions on their capital and liquidity trajectories, and the evolution of their risk profile. This means, very concretely, assessing how disruptions to funding structures, the impact of sanctions, the failure of a critical supplier, or the increasing fragmentation of cross-border activities could affect their resilience over time.

## Stress testing must evolve in nature and ambition.

Banks are now expected to consider scenarios that reflect the realities of our time: prolonged disruptions of critical ICT providers subject to extraterritorial constraints, regional energy shocks with systemic consequences, or the sudden closure of key trade or payment corridors. These scenarios should not remain theoretical constructs. They must be anchored in operational reality and aligned with recovery plans and business continuity arrangements.

In other words, **beyond prudential exercises geopolitical risks must be incorporated into internal practices.**

Yet, beyond frameworks and methodologies, **resilience is ultimately a matter of governance and culture.**

It requires engaged and informed leadership, capable of challenging assumptions and anticipating change. It calls for enhanced situational awareness, for regular simulation exercises, and for a continuous effort to diversify exposures and strengthen operational robustness. In times of uncertainty, resilience is built not only through rules, but through mindset.

**In this collective endeavor, the role of the ABBL is essential.**

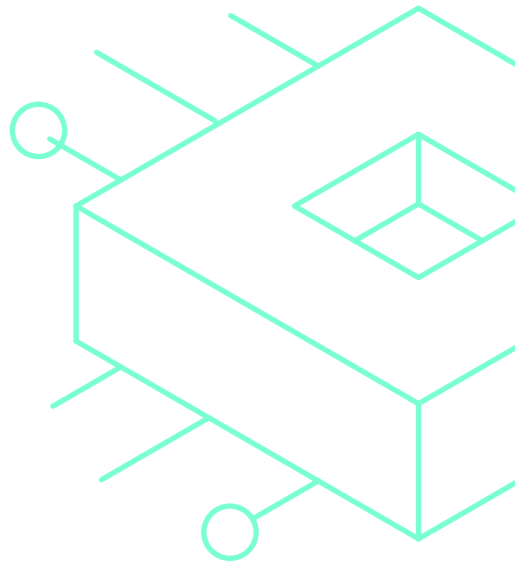
As a platform for dialogue, coordination, and expertise, it enables the Luxembourg banking sector to move forward together, to share best practices, and to build common standards. Through its Banking Supervision Committee, the ABBL actively supports institutions in integrating geopolitical risks into their frameworks, fostering a coherent and forward-looking approach across the sector.

Because in the end, resilience is not the sum of individual efforts. It is a collective strength. And in a fragmented world, it is together that we will ensure the stability, competitiveness, and future of Luxembourg's financial centre.

# Aligning HR Governance with Bank's Strategy, Culture and the Regulatory Landscape

As accelerating regulatory, technological and workforce shifts challenge the resilience of the banking sector, the ABBL Social Affairs Commission drives collective action by anticipating trends, sharing expertise and advancing advocacy to equip members for sustainable transformation.

In today's complex banking environment – shaped by regulatory pressure, rapid technological change and shifting workforce expectations – Human Resources has become a critical driver of organisational resilience. HR governance now goes far beyond talent processes: it ensures that strategy, culture and operations move in sync, enabling transformation that is coherent, sustainable and future ready. In this context, the ABBL Social Affairs Commission plays an active role in supporting member institutions by fostering dialogue on key HR and social topics, while ensuring alignment with evolving regulatory and market expectations.



## Creating a culture that encourages learning and experimentation is essential.



**Josette Meysonnier**  
Head of Human Resources,  
Bank Julius Baer Europe S.A.  
& Chairwoman of ABBL's  
Social Affairs Committee

## Moving Towards Data Driven HR Governance

Data has become indispensable for effective HR governance. Decisions can no longer rely purely on experience or intuition; they must be supported by reliable indicators, consolidated analytics and integrated HR systems. When used well, data provides real-time insight into organisational dynamics and helps anticipate workforce needs. Tools such as job architecture frameworks, compensation platforms and advanced HRIS solutions enable informed workforce planning, skills gap analysis and evidence-based decision making. In this context, data is not simply a reporting mechanism – it is a strategic asset.

These topics are regularly explored within the Commission through presentations, roundtables and exchanges of best practices among members – covering areas such as pay transparency, HR data management and skill frameworks.

## Hiring for Agility and Building Future Ready Skills

Resilience increasingly depends on hiring for learning potential, curiosity and adaptability rather than expertise alone. Transferable skills – critical thinking, analytical abilities, collaboration – often outlast technical knowledge in fast changing environments. Creating a culture that encourages learning and experimentation is essential. By fostering curiosity and continuous development, banks can build teams able to evolve alongside strategic and regulatory demands.

Identifying and addressing skills gaps plays a key role in this. A structured, data-driven assessment of current and future capabilities enables targeted upskilling and reskilling initiatives, ensuring the organisation stays ahead of emerging challenges.

## Integrating Generational Transition and Diversity into People Strategies

A resilient organisation leverages the complementary strengths of all talent groups. Younger employees bring digital fluency and fresh perspectives, while experienced “golden talents” offer institutional knowledge and strategic insight. Strong people strategies should intentionally blend these strengths through mentoring, reverse mentoring and inclusive development opportunities. Such intergenerational collaboration accelerates innovation, enables knowledge transfer and strengthens long-term continuity.

## Supporting Leaders as Key Transformation Enablers

Managers form the essential bridge between strategy and execution. They shape culture, sustain engagement and guide teams through uncertainty. Yet leaders today face increasing complexity, continuous change and the pressure to maintain motivation.

HR governance must therefore provide managers with clarity around change initiatives – objectives, impacts, timelines and expectations – supported by dedicated communication, training and ongoing dialogue. Beyond clarity, leadership capabilities must continue to evolve. Collaborative leadership, transparent communication, digital confidence and comfort navigating ambiguity are now essential. Tailored programmes in mediation, stress management, inclusive leadership and role model behaviours help managers lead with confidence – and with heart.

## Cultivating Managerial Courage

Successful transformations require managerial courage: the ability to make difficult decisions, address sensitive situations and guide teams through ambiguity. HR governance should promote a culture where responsible risk taking and accountability are encouraged and transformation driving behaviours are recognised. Leaders should feel empowered to act, guided by clear principles and shared values.

## Back to Basics: Collaboration and Clear Processes

Consistent HR governance depends on well defined, transparent processes. Managers need accessible tools, such as decision frameworks, dashboards, and digital resources, that support fair and aligned HR decisions. Regular forums, feedback loops and collaborative platforms strengthen dialogue, transparency and shared ownership of transformation.

In parallel, the Commission serves as a platform to monitor regulatory developments at both European and national levels (EU, *Union des Entreprises Luxembourgeoises* – UEL, European Banking Federation – EBF), assessing their implications for the banking sector and supporting coordinated advocacy efforts.

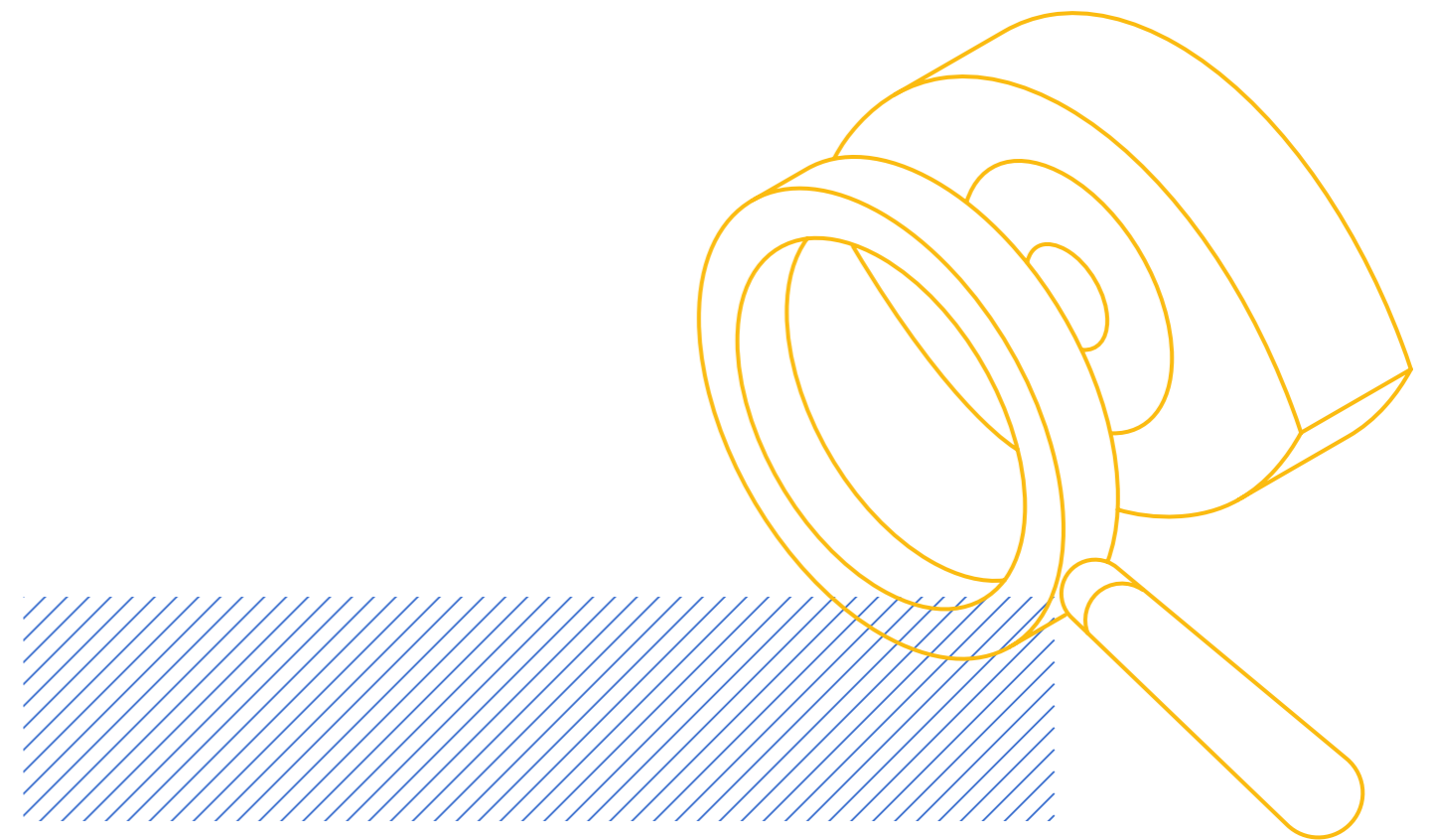
It also facilitates the sharing of expertise through contributions from external stakeholders – including law firms, public institutions such as the CNAP, consultancies and supervisory authorities – thereby enriching discussions and strengthening the sector’s preparedness.

## Towards a Sustainable, Evolving HR Governance Model

HR governance cannot remain static. It must continuously adapt to strategic shifts, regulatory expectations and societal trends. Ongoing evaluation of processes, tools and structures, supported by meaningful KPIs and feedback, ensures relevance and resilience.

Ultimately, HR sits at the intersection of business strategy, culture and operations. By embedding governance in organisational culture, promoting accountability, and cultivating the curiosity and growth of internal talent, banks can enhance their ability to navigate complexity and secure long term performance.

Through its ongoing work, the ABBL Social Affairs Commission contributes to this collective effort – supporting members, informing advocacy and helping shape a forward-looking HR agenda for the Luxembourg financial centre.



# How Sustainability strengthens Long-Term Financial and Economic Resilience

**Fear and love are the two great motivators.** They shape our behaviour, guide our decisions, and influence how we invest and save. They also help explain why sustainability strengthens long-term financial and economic resilience.

Fear draws our attention to what is fragile. Environmental shocks that may have once felt distant now strike at the heart of Europe – most recently Cyclone Harry, which tore through a Sicilian town and left a trail of ruin. Such events challenge us both as human beings and as financial services professionals focused on resilience. In the latter capacity, we recognise the importance of rigorous climate-risk assessments, strong policies and reliable data to help our clients protect their wealth in a changing world. Fear reminds us that resilience depends on preparedness.

**Love expands what is possible.** It inspires us to look beyond risks and identify opportunities – to ask how we can meet today's needs while securing the ability of future generations to meet their own. Humankind has never been more educated or better informed, and this trend will only accelerate as technology broadens access to knowledge. Such progress is giving more people – especially those previously underserved – greater access to financial tools and the confidence to make their own decisions.

Women and young people, in particular, are gaining greater knowledge, agency and confidence to shape their financial future. Better serving such clients is not only a compelling commercial opportunity; it is a way to support broader positive impact. Empowering more people to establish their financial security strengthens the fabric of society.

**At a time of global uncertainty – and even scepticism about the future – both fear and love can motivate us to embrace the full promise of sustainability by taking action for the common good.** With a broader and more urgent view of risks and opportunities, we can strengthen our shared resilience.

**This conviction has guided the work of our Sustainability Committee throughout the year,** driven by a renewed strategy to support ABBL members as they navigate an evolving regulatory environment. In 2025, we produced a discussion paper on green lending exploring how banks finance energy efficiency and renovations, and which roadblocks must be overcome. Our members had the chance to exchange with international actors on a range of topics, from human rights to sustainability reporting rulebooks. At the same time, we also responded to multiple consultations on Environmental, Social and Governance (ESG) risks, helping to ensure that the regulatory and supervisory conversation remains grounded in sound practice and long-term resilience.

We released a practical guide on diversity, equity and inclusion for banks, recognising that resilient institutions are those that are able to draw on a broader range of perspectives, serve an increasingly diverse client base, and create environments in which people can contribute fully and confidently.

Acknowledging that better tools and shared understanding of sustainability topics are needed across the banking sector, we organised a joint workshop on carbon accounting for banks with PCAF – the Partnership for Carbon Accounting Financials, fostering practical

knowledge in an area that is becoming increasingly important for credible decision-making and transition planning.

And our work carries on: in 2026, the Committee will release a new discussion paper exploring how banks in Luxembourg have begun articulating climate transition plans, to further support ABBL members navigating change with clarity, purpose and resilience.

Fear and love can motivate us to embrace the full promise of sustainability.

**Giulia Bruni Roccia**

Head of Corporate Sustainability, Quintet Private Bank (Europe) S.A. & Chairwoman of ABBL's Sustainability Committee



# Building Resilience Through Innovation

As the financial sector undergoes profound technological and structural change, the ABBL support its members in strengthening both the resilience and the competitiveness of Luxembourg's banking sector. This means helping institutions not only to manage operational, cyber and fraud-related risks, but also to adapt, innovate and remain efficient and competitive in a rapidly changing financial system.

When speaking about resilience in banking, online fraud often comes first to mind – and rightly so. Protecting customers and maintaining trust in digital channels remain a constant battle as fraudsters continuously adapt their techniques. But resilience in the digital age goes far beyond fraud prevention. It is also about ensuring that financial institutions can evolve, adopt new technologies and continue to compete in the financial system of tomorrow.

**Cyber resilience** is the first of these priorities. The entry into application of the European Digital Operational Resilience Act (DORA) marks a turning point in the way financial institutions manage ICT risks and operational disruptions. Over the past year, the ABBL has actively supported its members through regular exchanges with the regulator, practical guidance and peer exchanges, helping translate complex regulatory requirements into concrete implementation steps.

The next step is already underway. To strengthen collective resilience, the ABBL is coordinating the first mutualised ICT audits involving several banks and a critical third-party provider : a concrete example of how collaboration at industry level can reduce costs, enhance assurance and improve consistency in third-party risk management.

Resilience also means preparing the financial system for the next technological wave. **Tokenisation** is one of the most promising developments in this regard. Through dedicated working groups and exchanges with market infrastructures, the ABBL supports its members

in understanding use cases, regulatory implications and operational challenges linked to distributed ledger technologies. Luxembourg is actively positioning itself in this emerging field, with several initiatives involving banks, financial market infrastructures and technology providers.

But we also need to address the main game changer: **Artificial Intelligence**. From risk management and compliance to document processing and client services, AI is gradually reshaping banking operations. The ABBL supports its members through surveys, knowledge-sharing sessions and policy contributions, helping identify practical use cases and common challenges. Within the *Haut Comité de la Place Financière*, the ABBL has been instrumental in shaping a ten-point action plan to foster the responsible adoption of AI in the financial sector.

More broadly, this commitment to resilience through innovation is reflected in the **launch of the ABBL Innovation Cluster**. Bringing together senior executives from across the financial sector, the Cluster serves as a think tank on the future resilience, competitiveness and operational transformation of Luxembourg's banking sector, with a particular focus on areas such as artificial intelligence, cybersecurity, tokenisation and digital infrastructures.

Fostering innovation also means strengthening collaboration with the wider ecosystem. In partnership with the Luxembourg House of Financial Technology (LHoFT), the ABBL has supported initiatives such as the first **Banking Tech Catapult** dedicated to depositary banking, connecting banks with fintech solutions and accelerating the adoption of new technologies in concrete business areas.

Resilience also has a strategic dimension in **payments**. The emergence of European initiatives such as Wero reflects a broader ambition: strengthening Europe's sovereignty in payment infrastructures and contributing to a more diversified and resilient payments ecosystem.

## Ensuring the right balance between regulation and innovation is essential.

Ananda Kautz

Member of the Management Board, ABBL



One challenge, however, remains clear. Across Europe, **banks are often required to devote a growing share of their digitalisation budgets to implementing regulatory frameworks rather than investing in innovations that create direct value for customers**. Ensuring the right balance between regulation and innovation will therefore be essential.

Because ultimately, resilience is not only about protection and resisting shocks. It is also about adaptation, transformation and competitiveness. In a changing financial system, protecting institutions is one part of resilience; enabling them to innovate and remain competitive is another. Supporting both is central to the ABBL's mission to contribute to a strong, resilient and competitive financial sector in Luxembourg.

# Governance and Resilience: Setting the Tone from the Top

Resilience does not happen by chance. It is built, day after day, through institutions that are capable of anticipating risks, adapting to change and making decisions that stand the test of time. At the heart of this capacity lies governance. **Strong governance is not simply a regulatory requirement; it is the foundation upon which resilient institutions are built.**

For banks, governance begins with the Board. It is at this level that strategy, risk appetite and long-term vision converge. A well-functioning Board ensures that the institution's business model is coherent with its risk strategy and that this alignment permeates the entire organisation through what we call the tone from the top. **When the tone from the top is clear and robust, resilience becomes part of the institution's DNA.**

**Diversity and independence at Board level play a crucial role** in this respect. A resilient institution is one where the right questions are asked at the right time. This requires a balance of profiles, competencies and perspectives. Over the past decade, the financial sector has made significant progress in strengthening the independence of Board members and in improving the diversity of expertise around the table. **Luxembourg has often been ahead of the curve in this area**, notably thanks to supervisory expectations that anticipated several elements now reflected in European governance guidelines.

This evolution has also transformed the role of Boards themselves. Ten years ago, risk discussions at Board level could remain relatively high-level. Today, this is no longer possible. Directors must be able to engage deeply with complex issues such as cyber risk, artificial intelligence, geopolitical tensions or climate transition. In other words, **risk culture has become a core competence of Boards.**

Recent crises have illustrated this shift very clearly. The outbreak of the war in Ukraine, for instance, required banks to assess in a very short timeframe a wide range of interconnected risks—from credit and liquidity to operational and reputational exposure. Boards had to examine these issues comprehensively and validate responses at great speed. Such moments act as real-life stress tests for governance frameworks.

At the same time, **governance today faces several challenges.** One of them concerns the **composition of Boards.** Institutions must ensure they bring together the right mix of independence, competence and diversity. Another key issue is the management of **conflicts of interest**, which must be addressed with the utmost rigour.

**Regulation is also evolving.** The CRD6 framework further strengthens expectations regarding internal governance, notably by reinforcing the independence of control functions such as risk management, compliance and internal audit. These functions play a crucial role as watchdogs within institutions, ensuring that potential risks can be escalated directly to the Board when necessary.

Yet governance challenges are not limited to regulation. Paradoxically, many Boards today spend the vast majority

## Risk culture has become a core competence of Boards.

**Sandrine Roux**  
Secretary General, ABBL



of their time on control, compliance and oversight matters. While these are essential, there is also a growing need to rebalance discussions and dedicate more time to long-term strategy and profitability—especially as **banks must now plan over longer horizons, for example when designing climate transition strategies.**

In this evolving landscape, the **ABBL plays an important role in supporting its members.** Our action is structured around two main pillars: advocacy and the sharing of best practices.

**On the advocacy side**, the ABBL has been actively engaged in discussions surrounding the implementation of CRD6, both at national and European level. We have contributed to the legislative debate in Luxembourg and provided input on the European Banking Authority's guidelines on internal governance. Ensuring that new rules are effective while remaining proportionate and workable for institutions is a key priority for us.

At the same time, the **ABBL provides platforms where professionals can exchange experiences and learn from each other.** Our Forum Bank Governance, which has grown significantly over the past years, brings together experts responsible for governance within financial institutions. Discussions within this forum cover a wide range of practical topics—from the use of artificial intelligence tools to improve governance processes,

to succession planning at senior management level or the review of internal policies and procedures.

Governance is, by nature, a transversal topic. It touches legal, compliance, risk management and many other functions. For this reason, the ABBL also addresses governance issues across several of its expert groups, ensuring that discussions reflect the full complexity of organisational life within banks.

Looking ahead, **governance will remain a central theme for the financial sector.** The upcoming revision of the CSSF circular on internal governance will represent an important milestone for Luxembourg. At the European level, several regulatory mandates linked to CRD6 are still to come.

In this context, the key challenge will be to maintain a governance framework that is both robust and proportionate. Robust enough to ensure sound risk management and long-term stability. Proportionate enough to remain practical and effective for institutions of different sizes and business models.

Because in the end, **governance is not about ticking boxes.** It is about enabling institutions to take the right decisions, at the right moment, for the long term. And this is precisely what resilience is about.

# From Literacy to Talent: Building Financial Resilience

**At a time when citizens face increasingly complex financial choices, the ABBL is working to strengthen financial resilience by promoting financial education at every stage of life – from basic literacy to investment awareness and professional training.**

In a world where uncertainty has become the new baseline, resilience is no longer optional – it has become a necessity. The way citizens make decisions about their money is increasingly shaped by geopolitical tensions, technological disruption, rising cyber threats, and the growing complexity of financial products. At the same time, societies face long-term challenges: preparing for retirement in ageing populations, financing the green transition, and mobilising savings to support economic growth.

Against this backdrop, **financial education must be seen as a core pillar of resilience.**

**When individuals understand how to manage their finances, they are better equipped to withstand shocks** – whether it is an unexpected expense, a period of unemployment, or the growing sophistication of financial fraud. **When they can evaluate investment opportunities, they are more likely to participate in long-term wealth creation. And when societies nurture financial talent, they strengthen the foundations of their financial ecosystem.**

Financial savviness does not emerge overnight. It develops step by step – much like a three-stage rocket.

The first stage is **financial literacy**. It is the essential launch pad. At its most fundamental level, it is about **ensuring that everyone can manage their personal finances with confidence**: budgeting wisely, understanding credit, avoiding the traps of over-indebtedness, and protecting themselves against

increasingly sophisticated scams. In an era where digitalisation has made financial services more accessible – but also more complex – these basic skills are indispensable.

This is an area where the *Fondation ABBL pour l'Éducation Financière* is particularly active. In 2025, important progress was achieved at national level, with the Ministry of Education launching work to integrate financial education into the curriculum of Luxembourg's schools. The *Fondation ABBL* is contributing actively to this effort and working closely with the *Service de coordination de la recherche et de l'innovation pédagogiques et technologiques* (SCRIPT) on the development of programme content. Equipping young generations with financial skills is one of the most effective ways to strengthen the long-term resilience of our society.

The second stage is **investment literacy**. Once the foundations are in place, individuals must be equipped to engage with the broader financial system and **understand the opportunities and risks associated with different financial products** – from savings accounts to investment funds or capital market instruments. Strengthening these capabilities is particularly important in Europe today, where significant pools of savings remain underutilised and where long-term challenges such as pension funding require a more active participation of citizens in investment.

This is why financial education is increasingly recognised as a public policy priority across Europe. The European Commission recently launched an action plan aimed at strengthening financial literacy and improving citizens' ability to make informed financial decisions. The ABBL fully supports the spirit of this initiative. By helping citizens approach investments with confidence and clarity, financial education can play a decisive role in channelling

savings towards productive investments that support innovation, infrastructure and long-term economic competitiveness, but also in enabling individuals to better prepare for retirement in an evolving pension landscape.

The third stage is **talent development**. A resilient financial ecosystem requires more than informed citizens – it requires **skilled professionals capable of managing increasingly complex financial activities**. From sustainable finance to digital innovation, from risk management to cybersecurity, the sector depends on highly qualified expertise.

In Luxembourg, the ABBL is actively engaged in strengthening this talent pipeline. We support initiatives that reinforce the academic ecosystem of the financial centre, including the establishment of McGill University in Luxembourg. We also work closely with the University of Luxembourg, notably through the launch of an ABBL Masterclass for students of the Wealth Management Master and through dedicated ABBL sessions designed to raise awareness of career opportunities in areas such

as depositary banking—an activity that many students are still unfamiliar with.

This commitment extends beyond initial education. Together with the House of Training, we continue to develop programmes that help professionals adapt to the rapidly evolving demands of the industry. Continuous learning is also embedded in the sector's collective bargaining agreement, reflecting a shared conviction between social partners: investing in skills is one of the most powerful ways to strengthen long-term resilience.

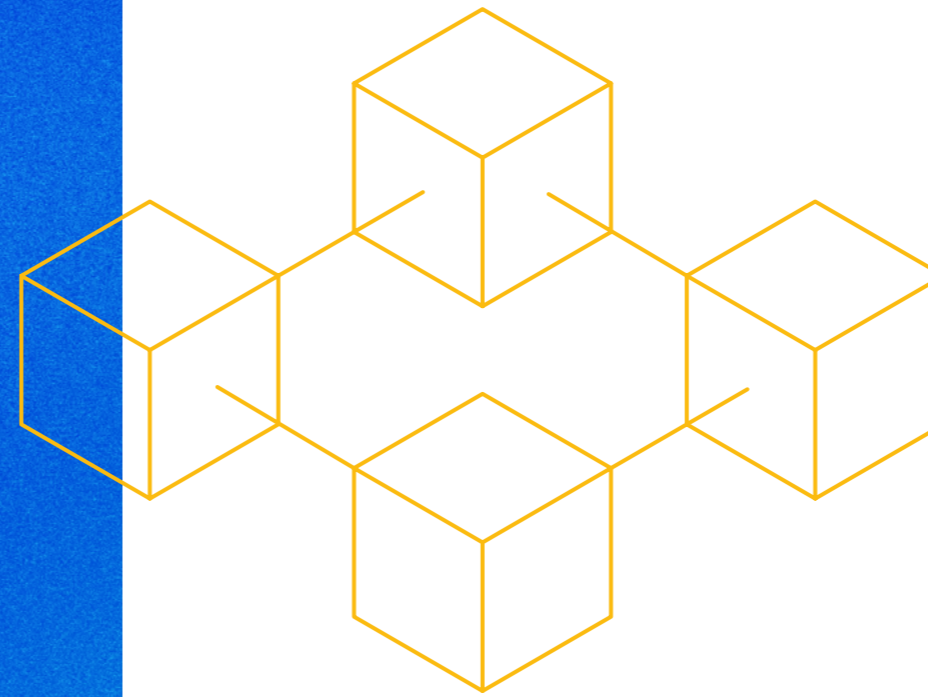
**Because resilience ultimately starts with people: informed citizens, confident investors and skilled professionals.**

Financial education must be seen as a core pillar of resilience.

**Jerry Grbic**

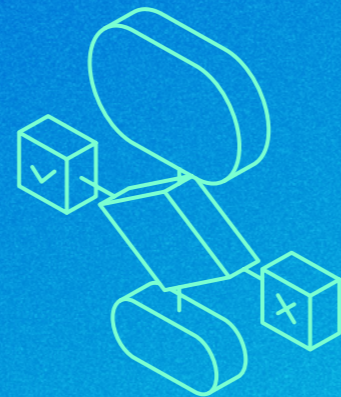
CEO, ABBL and Chairman of the *Fondation ABBL pour l'Éducation Financière*





# 03

## Responding to Transversal Challenges



An increasing number of topics relevant to the banking sector are interdisciplinary.

Over the course of the year, ABBL experts collaborated with our members and external stakeholders to address the challenges presented.

# 40 Proposals for Smarter Financial Regulation

European banks operate in an increasingly complex regulatory environment. Over recent years, they have taken on a growing number of responsibilities, ranging from the fight against money laundering and cybercrime to supporting the green and digital transitions. While the sector fully embraces these objectives, the cumulative effect of overlapping, sometimes inconsistent rules has created significant operational and compliance challenges. **Excessive complexity risks diverting resources away from core activities, innovation and financing the real economy, ultimately weakening Europe's competitiveness.**

As the representative body of Luxembourg's financial sector, **the ABBL is uniquely positioned to translate regulatory realities into constructive policy input.** Drawing on the practical experience of our diverse membership, we have long advocated for regulation that is proportionate, coherent and risk-based. Its long-standing engagement at European level gives the Association both the credibility and responsibility to contribute meaningfully to the debate on regulatory simplification.

In April 2025, we published our position paper **"Proposals towards smarter Financial Regulation in Europe"**, structured around five policy priorities and forty concrete proposals. Developed through extensive internal consultation, the paper addresses key areas such as policy coordination, proportionality, reporting efficiency, innovation and public-private dialogue. Far from calling for deregulation, the initiative promotes smarter, more efficient rules that safeguard investor protection while supporting growth and innovation. This publication served all through 2025 as a cornerstone of ABBL's advocacy efforts and a reference for constructive dialogue with European policymakers and is constantly enriched with additional proposals from our members.

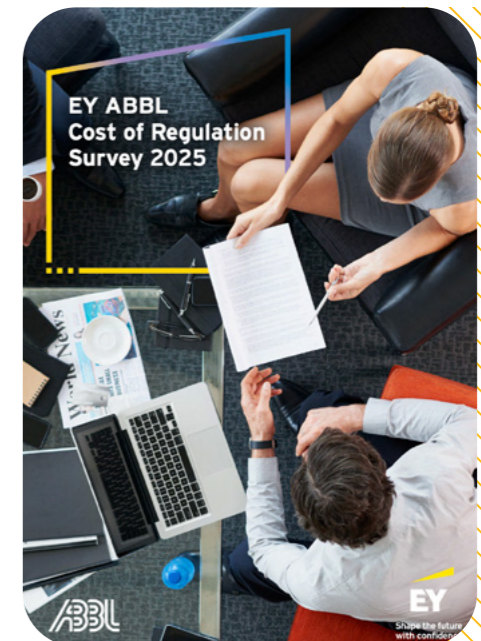


# Shedding Light on Regulatory Costs: Survey Results

Regulation is essential to safeguard financial stability, market integrity and consumer protection. Yet, in recent years **the cumulative weight of regulatory requirements has become a significant and structural cost driver for banks operating in Luxembourg and across Europe.** This layering of obligations not only shapes operational choices and resource allocation, but also **influences strategic priorities, potentially diverting investment from innovation and customer-facing activities to compliance functions.**

In partnership with EY Luxembourg, **the ABBL has conducted the fourth iteration of the Cost of Regulation Survey.** The survey brings together quantitative and qualitative evidence from a broad sample of banks operating in Luxembourg, providing a robust and independent basis for understanding how compliance costs evolve over time and affect different types of institutions.

The 2025 edition of the Survey delivers a comprehensive overview of regulatory cost drivers, staffing implications and strategic responses. It highlights that **while larger institutions incur higher absolute costs, smaller banks face a relatively greater burden, underscoring the importance of proportionality in regulatory design.** Persistent priorities such as financial crime prevention, sanctions compliance, MiFID and outsourcing continue to represent major regulatory burdens. Other regulatory priorities have emerged such as Instant Payments and DORA, both of which required substantial investment and internal restructuring. Findings from this evidence-based analysis feed directly into our policy work, feeding proposals for smarter, coherent and proportionate regulatory frameworks at national and European levels.



# Facilitating Access to Bank Accounts for Legal Entities

Business creation is a key driver of Luxembourg's economic dynamism, with around 3,000 to 4,000 new companies established each year. ABBL members play a central role in supporting entrepreneurs by providing essential banking services. In recent years, however, concerns have been raised by policymakers and economic stakeholders regarding difficulties encountered when opening professional bank accounts. These challenges stem from structural and regulatory factors: **increasingly demanding regulatory requirements, particularly in relation to KYC obligations (cf. banking onboarding processes, documentation requirements and realistic timelines); the complexity of certain legal and ownership structures; and an incomplete understanding among entrepreneurs of the range of banking offer available in Luxembourg.**

The ABBL acts as a bridge between banks, authorities and the business community. Drawing on the expertise of our members and in close cooperation with the supervisory authority, **we have sought to clarify expectations, promote transparency and facilitate dialogue between supply and demand.** Our objective is to ensure that regulatory requirements are properly understood while preserving effective access to banking services for legitimate businesses.

Together with our members and partners, we have acted on several fronts. **A list of specialised contact persons within banks** and other service providers has been compiled and published on the ABBL website to help businesses identify appropriate points of contact. In parallel, with input from the CSSF, we have launched a series of practical guides developed with major banking institutions. These guides establish minimum requirements and procedures for account opening and provide a checklist of essential documents, including identification, ownership, and business details. **Two guides dedicated to commercial businesses and to non-profit organisations have been published. Other guides for syndicates of co-owners and for investment vehicles are to follow.**

Targeted training initiatives have been reinforced for bankers and compliance officers, notably to enhance their understanding of complex business models. In parallel, a constructive two-way dialogue with the CSSF has helped clarify KYC practices, with the ABBL both conveying supervisory expectations to the market and feeding back market realities to support a more effective supervisory framework.

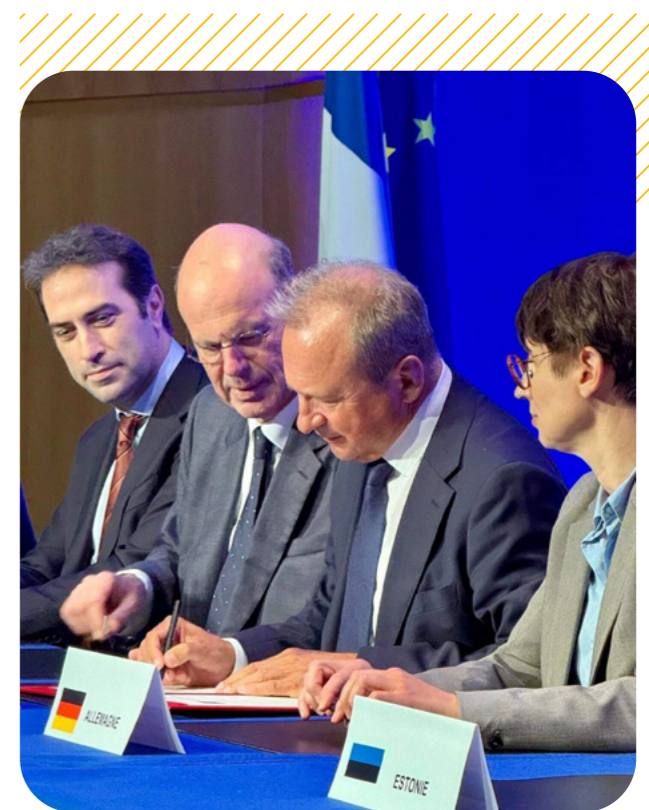


# Finance Europe: Mobilising Savings for Europe's Growth

Europe faces an ongoing challenge in striking the right balance between preserving strong household savings and channelling a greater share of these funds into productive investment. While savings rates remain high, a significant portion is held in more conservative instruments, limiting the financing available to European companies — particularly SMEs and scale-ups — for long-term growth. Fragmented capital markets, differing national tax frameworks and limited retail participation hinder the efficient allocation of savings and weaken Europe's capacity to finance innovation, the green transition and open strategic autonomy. Addressing these structural inefficiencies is a core objective of initiatives such as the **Finance Europe Label** and the **Savings and Investments Union (SIU)**.

Building on its financial market, business and tax expertise, the ABBL contributes constructively to policy discussions aimed at strengthening Europe's investment ecosystem. In this context, **we participated in the development of proposals linked to the Finance Europe Label, notably by providing input on the operational framework to be put around this solution and tax incentives designed to encourage long-term retail investment.**

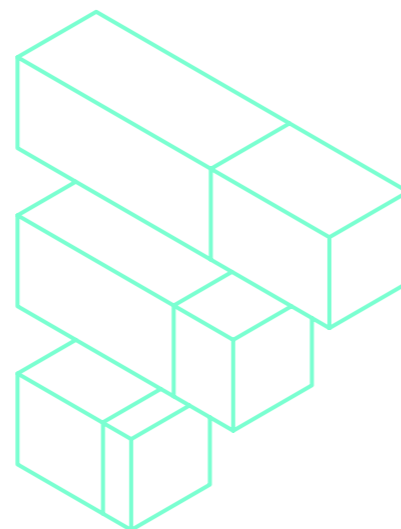
Through our contribution, we emphasised the importance of clear, attractive and harmonised tax frameworks to support the success of the Finance Europe Label. By fostering investor confidence and improving the attractiveness of long-term investment products, such initiatives can help bridge the gap between savings and financing needs.



# New Innovation Cluster

## Strengthening Strategic Coordination for Financial Sector Innovation

To reinforce Luxembourg's position as a leading international financial centre in a rapidly evolving digital and regulatory landscape, the ABL launched **a dedicated Innovation Cluster bringing together senior executives from across the banking ecosystem.** Moving beyond operational initiatives, the Cluster provides a strategic forum to align industry priorities with national and European innovation agendas, covering key domains such as artificial intelligence, cloud adoption, cybersecurity, digital identity and operational resilience. Its objective is to act as a source of strategic direction and thought leadership for institutions, authorities and infrastructure providers, while encouraging mutualisation in areas such as third-party risk and DORA implementation, and enhancing Luxembourg's attractiveness for innovation-driven financial services. By enabling structured public-private dialogue and shaping common positions on emerging technological and policy challenges, the Innovation Cluster contributes to a coherent innovation strategy for the financial centre and supports its long-term competitiveness and resilience.



## Interview with Dave Sparvell

Why did the ABL decide to launch a dedicated Innovation Cluster now, and how does it fit into the broader challenges facing the financial sector?

The financial sector is undergoing unprecedented transformation driven by technological change, evolving client behaviours and expectations, regulatory developments, and increasing global competition. Developing new ideas and innovating will help maintain Luxembourg's position as a leading international financial centre. The ABL launched the Innovation Cluster to provide a structured platform where members can collectively address these challenges, share expertise, and anticipate future developments. The objective is to strengthen the sector's ability to innovate responsibly while preserving its core strengths of stability, trust, and service excellence. The cluster serves as a catalyst for collaboration between financial institutions, technology providers, and national stakeholders. By fostering dialogue and implementing practical initiatives, it supports the sector in navigating digital transformation, enhancing operational resilience, and ensuring that Luxembourg remains competitive in an increasingly dynamic global environment.

Competitiveness and cyber resilience are at the heart of the cluster's work. Why were these two themes chosen, and how are they increasingly interconnected at C-level?

Competitiveness and cyber resilience were selected because they represent two of the most critical priorities for financial institutions today. Innovation creates new opportunities for growth and efficiency, but it also introduces new risks — particularly in an environment where digital infrastructure and data are central to business models. At an executive level, these two themes are closely linked. Institutions cannot be competitive without secure and resilient systems, and strong cyber capabilities are increasingly a differentiator in terms of trust, reputation, and operational continuity. Cyber risk is not purely a technical matter; it is a strategic concern that directly impacts business performance, regulatory

compliance, and client confidence. The cluster's work therefore reflects this convergence by promoting initiatives that enhance technological capabilities while strengthening resilience.

What kind of strategic impact does the ABL want this cluster to have — both for its members and for the Luxembourg financial ecosystem as a whole?

The ambition of the Innovation Cluster is to generate tangible lasting value for both ABL members and the broader Luxembourg financial ecosystem. For members, the cluster aims to provide practical insights, shared expertise, and collaborative initiatives that support innovation, strengthen resilience, and help institutions respond effectively to emerging risks and opportunities. It also offers a forum for exchanging dialogue with external stakeholders, exchanging best practices and developing a common understanding of key strategic issues. This approach will help institutions innovate securely and ensure that Luxembourg's financial sector continues to operate to the highest standards.

**Dave Sparvell**

CEO Swissquote Bank Europe SA, Chair of ABL's new Innovation Cluster



# Shaping a Shared Digital Strategy for the Financial Centre

Digitalisation is a key enabler of competitiveness, resilience and sustainable growth for financial centres. Secure digital infrastructures, efficient data use and the responsible adoption of emerging technologies such as artificial intelligence are essential to support innovation, enhance operational efficiency and meet increasing customer and regulatory expectations. **For Luxembourg, maintaining its position as an international financial hub requires a clear and ambitious digital strategy** that combines innovation, trust, cybersecurity and regulatory certainty.

As the representative of the banking sector, **the ABBL took a leading role in the work of the Haut Comité de la place financière (HCPF) on the digital strategy of the financial centre.** Within this public-private forum bringing together authorities and industry stakeholders, the ABBL actively shaped strategic priorities by contributing market expertise and operational insights. In particular, **we contributed decisively to a 10-point action plan to the Ministry of Finance** aimed at accelerating the adoption of artificial intelligence in the financial sector, while ensuring robust governance, risk management and regulatory compliance.

Our contributions focused on key enablers such as secure data frameworks, operational resilience, talent and skills development, and responsible AI use. By promoting a coordinated and pragmatic approach to digital transformation, we support the creation of a trusted environment in which innovation can thrive.



## Online Fraud Prevention Remains a Top Priority

Online fraud remains one of the most pressing challenges for the financial sector. As digital banking services continue to expand, fraudsters are constantly adapting their techniques, targeting customers through increasingly sophisticated schemes. **Beyond the direct financial impact, online fraud undermines trust in digital channels and requires continuous investment in prevention, detection and awareness.** Combating this threat effectively therefore calls for coordinated action across the entire ecosystem, involving banks, authorities, infrastructure providers and end users. In this evolving landscape, Luxembourg banks, supported by the ABBL, are continuously strengthening their capabilities to anticipate emerging threats and enhance customer protection through innovative and coordinated approaches.

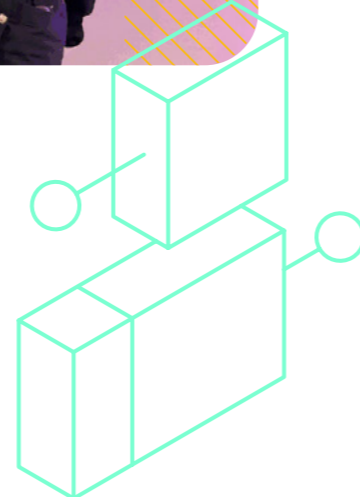
Building on its long-standing engagement in cybersecurity and anti-phishing initiatives, the ABBL provides a platform for dialogue, coordination and the sharing of best practices in online fraud prevention. Its legitimacy stems from its ability to align market participants around common objectives while fostering

close cooperation with public authorities and key partners.

In 2025, significant progress was achieved with the launch of Luxembourg's **first national campaign against online fraud** initiated by the ABBL, the *Fondation ABBL pour l'Éducation Financière* and the Luxembourg House of Cybersecurity and supported by 14 other institutional and private partners, aimed at raising public awareness and strengthening vigilance among consumers. In parallel, plans for a **dedicated workstream** were initiated in collaboration with the Police, LuxTrust, telecommunications operators and international partners **to improve data sharing on fraud patterns and trends.** We also supported the **successful introduction of the Verification of Payee (VoP) mechanism**, a key preventive measure enhancing payment security and reducing the risk of authorised push payment fraud. These initiatives complement earlier efforts such as the extension of the services of the 491010 24/7 hotline or the transition to LuxTrust Mobile reinforcing a comprehensive and collective approach to fraud prevention.



# Catapult: Depository Bank Tech



## Accelerating Innovation Through Collaboration

Depository banks operate at the heart of Luxembourg's fund ecosystem, playing a critical role in safeguarding assets, overseeing fund operations and ensuring regulatory compliance. As the industry evolves, **depository banks face mounting challenges linked to market fragmentation, growing regulatory requirements, the rise of alternative assets and the persistence of manual, siloed processes.** Addressing these challenges is essential to preserve operational efficiency, investor protection and Luxembourg's position as a global leader in fund servicing.

Through its Depository and Custodian Banking Cluster (DBCL), the ABBL provides a platform for depository banks to identify common pain points and define shared priorities. In partnership with the Luxembourg House of Financial Technology (LHoFT), we helped translate these priorities into a concrete, collaborative innovation framework tailored to the specific needs of depository banking.

In 2025, **the ABBL and LHoFT launched the first Catapult programme dedicated to depository banking, combining industry expertise with fintech innovation.**

Following a structured process — from need identification and workshops to a targeted bootcamp and mentoring phase — the programme culminated in the selection of Depowise and Altilia as winning solutions. Their offerings address key challenges through digital oversight tools and AI-driven data and document processing. **This initiative illustrates how close cooperation between banks and fintechs can deliver practical, technology-based solutions,** strengthening the resilience, efficiency and competitiveness of Luxembourg's depository banking sector.

# Contributing to a Constructive and Responsible Social Dialogue

Luxembourg's social model is built on dialogue between social partners and public authorities. In a context marked by economic uncertainty, evolving labour markets and increasing international competition, **maintaining an effective and balanced social dialogue is more important than ever.** Reforming Luxembourg's pension system, modernising labour frameworks, ensuring flexibility while preserving social protection, and adapting to European legislative developments are key challenges that require pragmatic and inclusive discussions.

In this context, maintaining and strengthening employability is of strategic importance. It is a shared responsibility between employers and employees, requiring continuous investment in skills development, adaptability and lifelong learning to meet the evolving needs of the labour market.

As the employers' representative for the banking sector, the ABBL plays an active role in social dialogue, both directly and through its participation in cross-sector platforms such as the UEL.

**The financial sector is a major pillar of Luxembourg's economy and employment, and this central role comes with a clear responsibility to contribute constructively to discussions shaping the country's social and economic future.**

Thus, social dialogue is not an obligation but a cornerstone of a stable and predictable environment for both employers and employees. Whether in discussions on pension reform or on the reorganisation of labour regulations, we consistently advocated for balanced solutions that reconcile economic realities with social considerations. We place a particular emphasis on employment attractiveness, flexibility in work organisation, employability and the sustainability of the social model — all essential factors in a highly international sector where talent mobility is a reality. By engaging openly with social partners and public authorities, **we seek to foster solutions that support competitiveness and reinforce Luxembourg's appeal as a place to work and invest, ensuring long-term prosperity for the financial sector and the wider economy.**



# Advancing Diversity, Equity and Inclusion in the Financial Sector

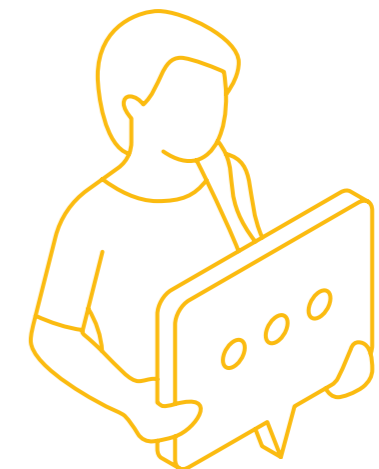
Diversity, Equity and Inclusion (DE&I) have become fundamental drivers of organisational resilience, innovation and sustainable performance across the financial sector. In addition to evolving regulatory expectations at the European and national levels, embedding DE&I principles supports stronger governance, broader talent attraction and enhanced societal trust. For institutions operating in Luxembourg, implementing meaningful and measurable DE&I action remains both a strategic opportunity and a practical challenge.

The ABBL has taken a **proactive role in helping its members translate DE&I principles into effective practice**. To support this process, the ABBL established a dedicated Diversity, Equity & Inclusion Working Group to consolidate market expertise and develop practical tools tailored to the specific regulatory and cultural context of the Luxembourg financial centre.

In 2025, we published a series of three DE&I factsheets designed to support institutions at every stage of their DE&I journey. The first guide establishes a common understanding of DE&I concepts and their relevance for the banking sector. The second provides a comprehensive overview of the regulatory and legal framework, covering international standards, EU legislation and Luxembourg-specific requirements. The third offers a practical roadmap to design, implement and monitor DE&I strategies, including governance arrangements, action plans, KPIs and best practices shared by ABBL members. Together, these guides aim to help institutions

move beyond compliance towards embedding DE&I into their culture, governance and day-to-day operations, contributing to a more inclusive and resilient financial sector.

Complementing these resources, the ABBL also supports the **Women in Finance Charter**, reinforcing its commitment to gender diversity and the advancement of women across all levels of the financial sector. Banks remain the largest subsector among signatories, with participation increasing from **78 institutions in 2024 to 85 in 2025**. As of 2025, women hold around **30% of senior management positions** and approximately **25% of board roles**, while **over 80%** of institutions have set formal diversity targets. Institutions combining clear targets with accountability frameworks are seeing the fastest progress, supported by initiatives such as mentoring, leadership programmes, and more inclusive recruitment practices. While gaps remain – particularly at the most senior levels – the trajectory is positive. Advancing gender balance is not only a matter of equity, but also a key driver of resilience and long-term competitiveness.



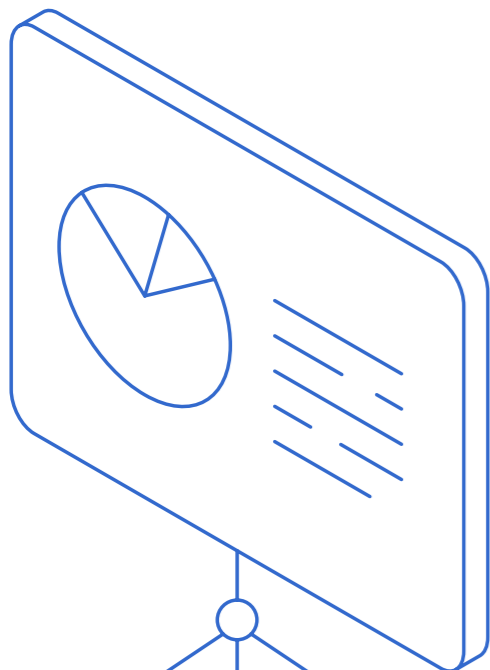
# Strengthening Talent Attraction for the Financial Sector

Attracting and retaining qualified talent remains one of the financial sector's key challenges. Banks must continuously strengthen their human capital to deliver high-quality services, drive innovation, combat financial crime effectively and meet growing regulatory expectations. In an increasingly competitive international environment, **Luxembourg must not only develop the right skills locally, but also reinforce its attractiveness as a destination for financial professionals from around the world.**

Talent attraction is a strategic priority endorsed by the ABBL's Board of Directors and embedded in a structured approach combining promotion, education and advocacy. We thus work to promote banking careers, align training with market needs and support policy initiatives that enhance Luxembourg's appeal as a financial centre.

In 2025, we strengthened our international positioning by **promoting Luxembourg as an attractive destination for senior financial professionals**, combining a dynamic financial ecosystem with a high quality of life and a stable, welcoming environment for both professionals and their families, with the support of our members and Luxembourg for Finance(LFF). ABBL's Private Banking Group (PBGL) also organised the **first ABBL Masterclass in Wealth Management**, bringing together around 30 international students at the University of Luxembourg's Wealth Management Master for eight days of intensive training and exchanges with private banking professionals.

Additional initiatives included the launch of a dedicated career hub on the ABBL website, a new "Jobs & Careers" feature in the ABBL newsletter, and a reinforced presence on campuses and job fairs. In this context, the ABBL participated in talent promotion events at **Kozminski University (Warsaw)**, **Bocconi University (Milan)** and **KU Leuven**, and organised promotion trips to Paris in October 2025, visiting **ESSCA School of Management**, **IÉSEG School of Management** and **Sciences Po**, alongside a webinar with the **University of Burgundy**. These actions were complemented by conferences showcasing the diversity and societal value of banking careers.

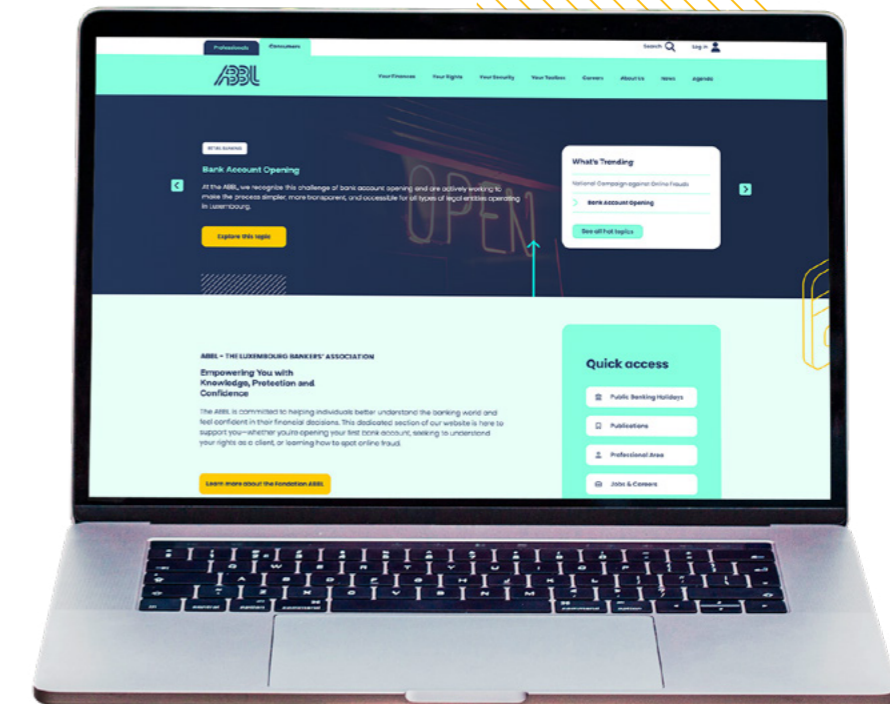
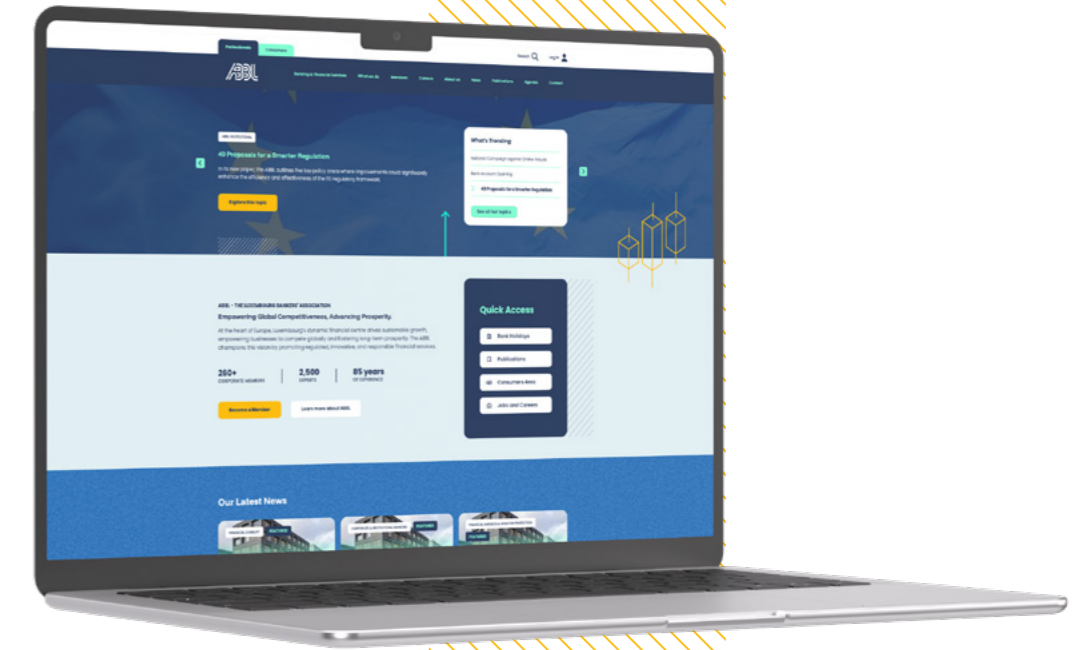


# A New Digital Front Door for ABBL and its Members

In March 2026, the ABBL successfully launched its fully revamped corporate website and a new-generation MemberNet, marking a major step in strengthening both our external influence and internal member value.

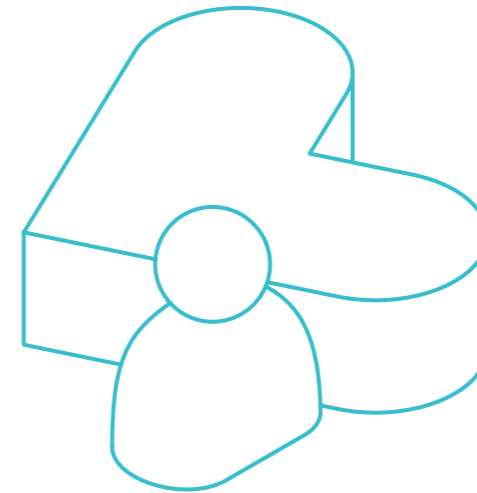
This transformation addressed two key communication challenges: **enhancing the attractiveness of the banking profession and of the ABBL itself, and improving the competitiveness of our members through better access to the wealth of content we produce.** The new website now serves as a modern, dynamic and credible “front door” for policymakers, talents, opinion leaders and the wider financial community. With improved user experience and stronger Search Engine Optimisation (SEO) capabilities, it has significantly enhanced visibility and outreach.

At the same time, the new MemberNet now provides our active members with a more intuitive platform, AI-powered intelligent search and simplified navigation, enabling faster access to relevant guidelines, opinions and studies. Together, these platforms reinforce ABBL’s impact, support members more effectively and align our digital tools with our strategic ambitions.



# 04

## Advocating our Members' Interests

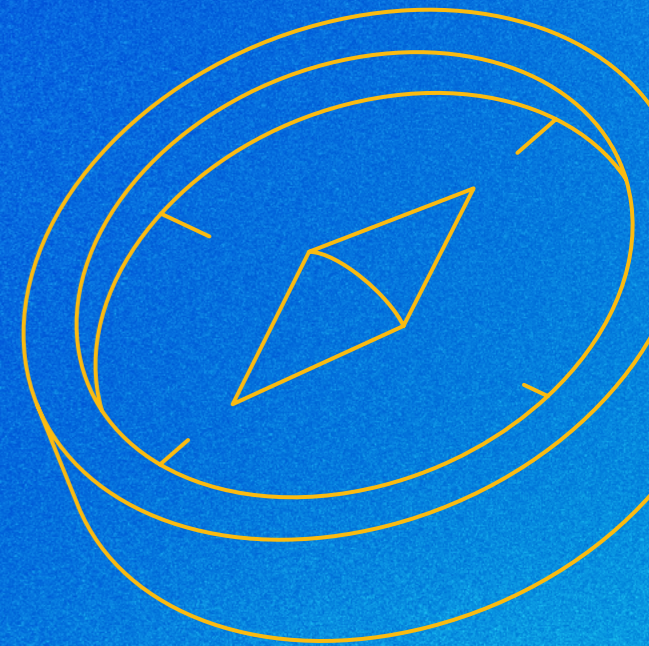


Since 1939 the ABL's main mission is to put forward the interests of its members on national, European and international level. Thereby, we contribute to defining a regulatory framework that offers a healthy balance between investor and consumer protection, financial stability, and the fight against financial crime, but also provides the necessary space for banks and other financial institutions to innovate and develop successfully and sustainably.

In this context, we are also committed to foster a level playing field between traditional players and new entrants, as well as between financial centres within and outside the EU.

Dedicated subject-matter experts within our regulatory affairs, digital and innovation, and sustainability units in Luxembourg as well as our team in Brussels are undertaking related advocacy work.

# Advocacy at European Level



The ABBL, ACA and ALFI European Affairs Team from left to right: Antoine Kremer, head; Chiara Chiodo, adviser; Lucia Martin-Moran, trainee; Xavier Bové, adviser.



The European Affairs team, based in Brussels, represents the interests of the ABBL towards the EU institutions and monitors developments at EU level of topics of importance to ABBL members. The representation was set up in 2006 as a shared office with ALFI. Since 2022, the office also represents the interests of the Luxembourg Insurance and Reinsurance Association (ACA).

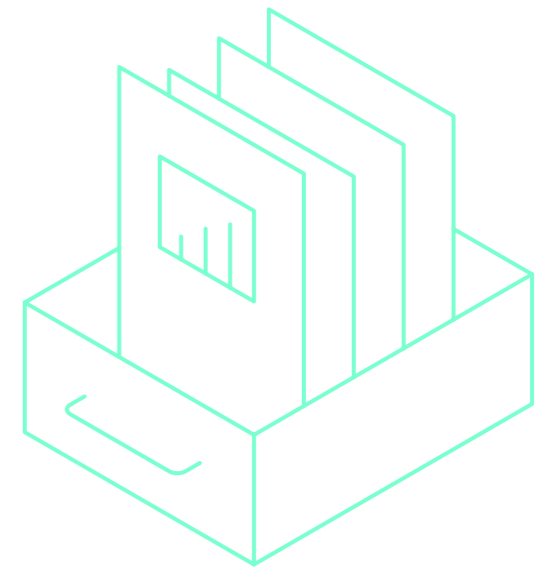
**The Brussels Office now includes three professional lobbyists as well as an intern that all work for the ABBL, ALFI and ACA.** All three associations are registered with the European Transparency Register.

The Brussels representation office organised **several meetings** with the European Commissioner for Financial Services and other senior representatives of the European Commission, Ministries of Finance of various EU Member States and key Members of European Parliament. While high-level meetings are important, ABBL's representatives in Brussels also regularly work with numerous civil servants and political staff at operational level.

Moreover, many ad hoc meetings have been held with various EU decision-makers and stakeholders on topics such as the Retail Investment Strategy, the Digital Euro, Financial Data Access, the Payment Services Directive / Regulation, the Omnibus I on sustainable finance, crisis management and deposit insurance issues as well as simplification in the EU's legislative and regulatory framework in general.

**Our advocacy activities contribute to informed decision-making by elected and appointed public officials.** In fulfilling this role of our association, we recognise our responsibility to carry out our lobbying missions in an ethical and transparent manner. The ABBL adheres to the Code of Conduct of the European Transparency Register of the European Parliament, Council and European Commission.

# Legal, Regulatory & Tax Topics



## Banking Regulation

### Navigating the Final Basel III Reforms: CRR3–CRD VI in Action

The Capital Requirements Regulation (CRR3) and Directive (CRD VI) banking package completes the European Union's implementation of the Basel III reforms and aims to further strengthen the resilience and stability of the EU banking system. Its core objective is to ensure that banks hold capital that is more proportionate to their underlying risks, while enhancing comparability and confidence across the sector. The package introduces revised and more risk-sensitive standardised approaches for credit, market and operational risk, tightens the conditions for the use of internal models, and gradually implements an output floor to limit excessive variability in risk-weighted assets. Together, these measures are designed to reduce systemic risk, promote sound risk management and safeguard the financing of the real economy over the long term.

While the CRR3 Regulation, being directly applicable, has been in force across the EU since 1 January 2025, **the CRD VI Directive remains subject to national transposition**. In Luxembourg, this process is still ongoing, with the implementing law expected to be finalised in the coming months. This transitional period is marked by an intensive regulatory agenda both at European and national levels, as numerous EBA technical standards and guidelines are issued to operationalise the new prudential framework.

**Particular attention is paid to the new third-country branch regime under CRD VI**, including Article 21c, as well as to transitional arrangements and phased application dates.

In this context, the ABBL has been highly active in representing the interests of Luxembourg banks. Beyond its continued engagement at EU level, the ABBL has focused strongly on advocacy related to the transposition of CRD VI into national law, with specific emphasis on Article 21c and the need for a proportionate and business-model-compatible approach. The ABBL published a **joint position paper co-signed with ALFI, LPEA and the ABBL Law Firm Forum**, setting out key priorities and operational concerns for the Luxembourg financial centre. In parallel, it submitted **detailed written comments to the Ministry of Finance** during the transposition process. These contributions were largely taken on board by the authorities, to the satisfaction of our depositary bank members, and helped ensure a pragmatic and balanced national implementation of the new banking package.

## Financial Markets

### EU Retail Investment Strategy – Strengthening Trust and Market Access

The EU's Retail Investment Strategy (RIS) aims to enhance retail investor protection while encouraging broader participation in capital markets. By modernising and aligning rules across key financial frameworks – including MiFID, IDD, PRIIPs, UCITS and AIFMD – the package seeks to build investor trust through clearer information, fairer treatment and improved transparency on costs and charges. Ultimately, RIS supports the development of a **Savings and Investments Union**, fostering greater household investment in productive financial markets and contributing to EU economic resilience and competitiveness.

From a regulatory perspective, a **political agreement was reached on 17–18 December 2025** between the European Parliament and the Council. This agreement reflects years of negotiations following the Commission's original proposal in May 2023, and sets the framework for final legal texts expected to be adopted and published in the **Official Journal in 2026**. Once published, Member States will have a transposition period (typically 24 months) before national implementation, with the earliest effective application likely by **late 2028**. Key elements include a horizontal **value-for-money regime**, updated **client**

**categorisation** with expanded access to professional status, tightened **inducement tests**, and enhanced clarity in the investor journey – such as digitalisation considerations and suitability assessments.

The ABBL has been deeply engaged throughout this process, securing **major advocacy successes** that align with its long-standing priorities. Crucially, the political agreement incorporates **greater flexibility on client categorisation**, enabling experienced investors to opt into professional status and access broader investment opportunities under defined criteria. Moreover, **inducement regimes were refined** with stricter tests and enhanced cost disclosures, while unnecessary complexity – such as automatic loss reporting triggers – was removed to improve the overall investor experience. Our **consistent advocacy efforts**, including policy dialogue and technical feedback, helped shape a balanced outcome that supports both investor protection and market efficiency.



**Marilyn Rinck**

Head of Banking Regulation,  
Financial Markets  
and Sustainability, ABBL

## Reinforcing Legal Certainty and Market Confidence in Covered Bonds

The ABBL maintained close dialogue with both the Ministry of Finance and the Commission de Surveillance du Secteur Financier (CSSF) throughout the review of the Luxembourg framework on covered bonds. This engagement aimed to ensure the national regime's full alignment with Directive (EU) 2019/2162 and Regulation (EU) 2019/2160, which together establish the European legislative framework for covered bonds. The revised Luxembourg law introduces key clarifications on the calculation of issuance limits, the valuation of real estate assets serving as collateral, and the alignment of supervisory provisions with the European standards. **The updated legal framework was adopted and published in late 2025, representing a major step forward in enhancing regulatory consistency, market stability, and investor protection.**

Our contribution formed part of a joint effort involving all market stakeholders, including public authorities, supervisory bodies, and industry representatives. This collaborative approach helped achieve a balanced outcome that strengthens Luxembourg's position as a reliable and competitive centre for covered bond issuance within the European Union.

In parallel with the entry into force of the updated law, **the CSSF launched a dedicated covered bonds webpage**, providing access to the relevant legal texts, regulatory guidance, and supervisory documentation. This initiative supports the effective implementation of the new framework and reinforces transparency and legal certainty for market participants.

## Strengthening the EU Securitisation Framework: the Need for a European Approach

Securitisation is a key instrument to support bank lending, diversify funding sources and deepen EU capital markets. **A well-functioning securitisation framework contributes to the objectives of the Savings and Investments Union** by freeing up bank balance sheets, enhancing risk distribution and improving access to financing for households and businesses, while maintaining financial stability. Revitalising the EU securitisation market is therefore seen as an important lever to support sustainable economic growth.

In June 2025, the European Commission launched a targeted review of the EU securitisation framework with the aim of addressing excessive complexity, regulatory fragmentation and disproportionate prudential requirements that have constrained market activity since the post-crisis reforms. The review focuses on key pillars such as due diligence, transparency, risk retention, prudential treatment and supervisory convergence, while preserving the core safeguards introduced after the financial crisis.

In this context, the ABBL published a **position paper setting out concrete and pragmatic recommendations** to strengthen the EU securitisation framework. We advocated for a more proportionate and risk-sensitive approach, including streamlined due diligence and risk retention requirements, reduced duplication of reporting obligations and greater clarity between public and private securitisations. On transparency, we supported a **materiality-based reporting framework** that preserves investor protection while reducing unnecessary operational burdens.

From a prudential perspective, we welcomed proposals to adjust capital and liquidity requirements, including the introduction of a **resilient senior tranche category**, and stressed the importance of **appropriate transitional arrangements** for legacy transactions. We also underlined the need for effective supervisory coordination at EU level, while respecting national supervisory expertise. Overall, we consider the reform an opportunity to restore securitisation as a viable and robust financing tool for the European economy.

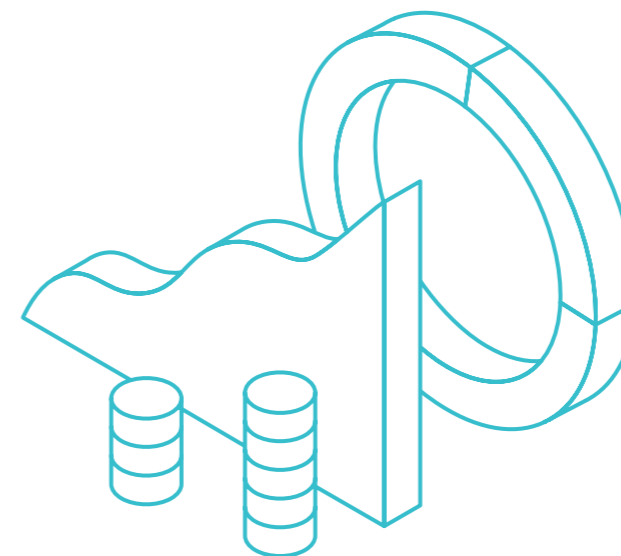
## Shaping the Transition to T+1

The European Securities and Markets Authority (ESMA) has proposed a shift to a **T+1 settlement cycle** across EU capital markets, targeting the **fourth quarter of 2027** for implementation. Under this model, securities transactions will be settled one business day after the trade date, instead of two. The move aims to **reduce operational and counterparty risk**, enhance market liquidity and streamline post-trade processes. Above all, it is part of broader efforts to strengthen the **resilience, efficiency and global competitiveness** of the EU's financial infrastructure and to support the development of the **Savings and Investments Union**.

During consultations, the ABBL emphasised that while the transition to T+1 is essential for Europe to maintain its competitive edge, its **success depends on coordinated implementation** across all EU markets. ABBL and its members highlighted that the core challenge lies not in settlement timing itself, but in the need to **streamline, automate and harmonise upstream processes**, including clearing, custody and middle-office functions.

We continue to **monitor developments and actively engage** with regulators, market infrastructures and industry stakeholders to ensure that the **Luxembourg ecosystem** — spanning custodian banks, asset managers, fund service providers and infrastructure partners — is fully represented. Our advocacy work highlights the importance of interoperable standards, coordinated change management and adequate lead time for technology upgrades, which are essential to deliver a smooth and timely transition.

The next step is to stand by our members as the real implementation phase begins.



## Taxation

### FASTER Directive – Towards Simpler and Safer Withholding Tax Procedures

On 10 December 2024, the Council of the European Union formally adopted the Directive for Faster and Safer Relief of Excess Withholding Taxes (FASTER Directive). **The Directive aims to streamline and secure withholding tax procedures applicable to cross-border investments within the EU**, benefiting investors, national tax authorities and financial intermediaries alike. For an open and internationally oriented financial centre such as Luxembourg, more efficient withholding tax procedures on cross-border securities income are essential to support market attractiveness, investor confidence and the free movement of capital. The Directive is built around three key pillars: **the introduction of a common EU digital tax residence certificate (eTRC), two optional “fast-track” relief mechanisms** (relief at source and quick refund) complementing existing refund procedures, and **a standardised reporting framework for financial intermediaries**.

**From the perspective of the Luxembourg banking sector, the FASTER Directive is a welcome development**, with the eTRC in particular seen as a major step forward in terms of digitalisation, legal certainty and operational efficiency.

**The ABBL has long advocated for greater European harmonisation in this area** and welcomed the adoption of the Directive as a milestone towards a more integrated and client-friendly capital market. **At the same time, we have consistently highlighted a number of implementation challenges**. In particular, the presence of carve-outs and national options risks fragmenting the framework and obliging Certified Financial Intermediaries (CFIs) to manage multiple parallel processes under FASTER and national regimes, potentially undermining the Directive’s objectives.

In this context, **we call for proportionality and simplification of intermediary obligations**, a single reporting channel (either to local authorities or a central European platform), and further clarifications via European Commission guidelines and implementing acts, notably on liability allocation, penalties and the treatment of non-CFIs in the payment chain. We remain actively engaged at European level, including through Commission working groups and via the European Banking Federation, to support a coherent and effective implementation of the FASTER Directive.

### DAC 8 – Expanding Tax Transparency in the Digital Economy

Council Directive 2011/16/EU on Administrative Cooperation in the field of taxation (DAC) establishes the **framework for cooperation and information exchange between EU tax authorities**. Over time, successive amendments have significantly expanded its scope. DAC 8, adopted in October 2023, represents a further step in this evolution by extending reporting and information-exchange obligations to crypto-asset service providers and certain digital platforms, in line with OECD standards and global efforts to address tax transparency in the digital economy.

From a regulatory calendar perspective, Member States were required to transpose DAC 8 into national law by 31 December 2025 and these provisions should apply since 1 January 2026. A Luxembourg draft legislation aimed at transposing DAC 8 into Luxembourg legislation has been published on 24 July 2025.

The ABBL contributed to the **legislative process by providing input to the Chamber of Commerce** on this bill, with a particular focus on ensuring legal certainty and addressing the practical implementation challenges faced by banks and other reporting entities.

### E-Invoicing – Digitalising VAT Reporting and Business Transactions

Electronic invoicing (e-invoicing) is a key pillar of the **European Union’s broader efforts to modernise VAT systems, combat fraud and support the digital transformation of the economy**.

By replacing paper or unstructured invoices with standardised electronic formats, e-invoicing aims to improve data quality, enhance tax transparency and enable faster, more automated processing of transactions.

At EU level, the VAT in the Digital Age (ViDA) Directive has been adopted Directive 2025/516 of 11 March 2025 as regards VAT rules for the digital age (“ViDA” Directive). It provides for the introduction of mandatory e-invoicing and Digital Reporting Requirements (“DRR”) for taxable cross-border Business to Business (“B2B”) transactions from 1 July 2030. As part of the transposition of the Directive, the ABBL is working to formulate recommendations on the various options it provides and to support its members in the practical implementation of the new requirements.

In parallel, local initiatives are being considered to introduce mandatory e-invoicing in Luxembourg at an earlier stage for domestic B2B taxable transactions. The ABBL recognises the rationale for introducing these requirements at an early stage, notably to test the processes that will apply to cross-border transactions under the CRR as of 1 July 2030. However, in December 2025, we submitted comments to the Luxembourg authorities expressing reservations on certain aspects of the proposals, in particular the proposed entry-into-force date.



**Laetitia Carroz**  
Senior Adviser, Tax, ABBL



## Anti-Money Laundering / Countering the Financing of Terrorism

### KYC Obligations – Safeguarding Integrity while Managing Operational Complexity

Know-Your-Customer (KYC) obligations are a cornerstone of the EU and Luxembourg anti-money laundering and counter-terrorist financing (AML/CFT) framework. They play a critical role in **protecting the integrity, reputation and international credibility of the Luxembourg financial centre by preventing misuse of the financial system for illicit purposes**. Robust KYC standards are essential to maintaining trust among investors, clients and international partners, and to ensuring continued access to global financial markets. At the same time, the practical implementation of these standards must remain aligned with the risk-based principle and operational feasibility.

**KYC obligations also represent a significant and growing operational burden for financial institutions.** Increasing regulatory expectations, overlapping requirements across EU and national frameworks, and heightened supervisory scrutiny have led to more complex onboarding processes, ongoing monitoring and documentation demands. These challenges are particularly acute in an international financial centre such as Luxembourg, characterised by cross-border activities, complex client structures and sophisticated products. Ensuring effectiveness while preserving proportionality, client experience and financial inclusion remains a key challenge for the sector.

In this context, the ABBL has pursued several initiatives aimed at enhancing **efficiency, legal certainty and proportionality** in KYC and AML/CFT compliance. We submitted **legislative proposals to strengthen reliance on public registers**, recognising that improved access to reliable public data would allow institutions to verify information more efficiently and reduce repetitive checks. In parallel, we proposed the establishment of a **clear legal basis for information exchange between private entities**, with the objective of enhancing cooperation and effectiveness while fully respecting data protection rules and professional secrecy obligations.

At European level, we are actively contributing to the **EBA consultation on draft Regulatory Technical Standards linked to AMLA supervision**. Drawing on input from our diverse membership, we advocated for a **risk-based and proportionate approach**, including appropriate materiality thresholds for direct supervision, greater flexibility in customer due diligence requirements, clearer treatment of complex ownership structures, well-defined group-wide supervision rules, and more refined criteria for sanctions and penalties. We consistently emphasised the need to preserve the competitiveness of the Luxembourg financial centre within a harmonised EU framework.

We will continue to engage closely with regulators and policymakers to ensure that KYC and AML/CFT obligations remain effective, workable and proportionate, while supporting the long-term competitiveness and integrity of the Luxembourg financial centre.



**Amandine Laurent**  
Legal Adviser, ABBL

### Public-Private Partnership with the CSSF and the CRF

The ABBL actively contributes to the Public Private Partnership (PPP) established in 2022 with the CSSF and the Cellule de Renseignement Financier (CRF), which aims to strengthen cooperation between authorities and the private sector in the fight against financial crime. This framework enables structured dialogue on emerging risks, typologies and supervisory expectations, while promoting a common understanding of regulatory and operational challenges.

Since its establishment, the PPP has led to the development of practical Q&A guidance, the identification of emerging risk patterns and the preparation of joint analytical work, thereby enhancing supervisory clarity and strengthening the operational effectiveness of AML/CFT measures. Through this partnership, the ABBL acts as a bridge, sharing members' expertise with authorities and bringing back clear guidance and insights to the banking sector, contributing to more effective, risk-based and proportionate AML/CFT measures that support both financial integrity and the competitiveness of the Luxembourg financial centre.

## Banking and Financial Law

### BGA Law – Ensuring Legal Certainty in the Management of Seized Assets

The law establishing the **Bureau de Gestion des Avoirs (BGA)** plays a key role in Luxembourg's criminal justice and AML framework by organising the identification, management and confiscation of seized assets. It contributes to the effectiveness of criminal proceedings, the recovery of illicit proceeds and the credibility of Luxembourg's financial system. At the same time, given the central role of banks in holding and administering assets, the BGA framework must strike a careful balance between the objectives of criminal enforcement and the protection of legitimate third-party rights, including creditors' rights and legal certainty for financial institutions.

In **2025**, discussions around the **update of the BGA law** intensified, with a focus on clarifying its interaction with existing civil, commercial and financial law regimes. In this context, the ABBL has engaged in **active and constructive collaboration with representatives of the BGA**, with the objective of addressing provisions that could have unintended adverse effects on **pledges, civil seizures and other security interests over bank accounts**.

**The issues we identified and discussed during our exchanges with the BGA, and the solutions that were subsequently considered**, are indeed included in Bill 8698, tabled on 2 February 2026.



**Jonathan Hug**

Head of Legal, Tax and Compliance, ABBL

### Housing Support – Contributing to Solutions for a Structural Challenge

Access to affordable housing remains a major concern for Luxembourg's population and a key determinant of the country's ability to attract and retain the talent required for sustainable economic development. The persistent shortage of housing, combined with high prices, continues to deter young professionals and qualified workers from settling in Luxembourg. The recent real estate downturn has further aggravated this structural imbalance, with a sharp slowdown in new construction exacerbating supply constraints. Beyond social implications, this situation poses risks for the construction sector, employment and financial stability, including increased credit risk and the potential loss of skilled labour needed for future recovery.

In line with its mission, the ABBL has long been actively engaged in addressing housing-related challenges through advocacy, dialogue and coordination among stakeholders. Building on earlier initiatives, the ABBL has recently **intensified its advocacy on completion guarantees (garanties d'achèvement)** in discussions with the Ministry of Justice. In order to ensure effective consumer protection and legal certainty, the ABBL has called for greater regulatory clarity and the establishment of a **level playing field** through harmonised rules applicable to all issuers, including a clear definition of coverage and a transparent regulatory framework.

The ABBL has also put forward **proposals to support affordable housing**, focusing on measures that can help restore confidence, unlock supply and encourage sustainable investment in residential projects. These efforts complement ongoing initiatives aimed at mobilising private and public actors to bring new housing units to the market.

In parallel, the ABBL supports innovative financing and market-based solutions, including initiatives such as **Bellegen Akt**, which seek to channel long-term investment towards housing and infrastructure projects. Through these combined actions, the ABBL continues to contribute constructively to addressing one of Luxembourg's most pressing socio-economic challenges.



**Simone Kayser**

Senior Adviser, Retail Banking, ABBL

## Social Affairs

The ABBL continued to actively support its members on key social and employment law matters, both at national and European levels.

**A particular focus was placed on facilitating the practical application of the banking collective agreement.** In this context, a FAQ was developed and made available to members, aiming to provide clear and operational guidance on frequently raised questions.

**WeL also remained actively engaged in ongoing legislative developments. Notably, it conducted targeted advocacy efforts with the Ministry of Labour regarding the transposition of the EU Directive on pay transparency.** At European level, the ABBL contributed to discussions within the EBF, in particular within the EBF Banking Committee for European Social Affairs, to ensure that the sector's perspective is adequately reflected in the implementation process.

**At national level, we closely monitored labour law developments in coordination with the UEL,** ensuring alignment with broader employer positions.

**In parallel, the Diversity, Equity and Inclusion Working Group attached to the Social Affairs Committee actively contributed to the drafting and publication of the first three factsheets of the ABBL DE&I Guide,** supporting members in advancing their DEI strategies and practices.

Finally, **we continued to produce our annual Study of the social situation** in the banking sector, providing member banks with benchmarking data across a range of key social and HR indicators.



**Elisabeth Franssen**  
Legal Adviser, ABBL

# Sustainable Finance

## Corporate Sustainability

### Omnibus I – Simplifying Sustainability Rules while Preserving the Transition

The Omnibus I Directive forms the first part of the European Union's broader **effort to simplify and rationalise the corporate sustainability regulatory framework introduced under the Green Deal.** Its core objective is to reduce excessive administrative and reporting burdens on companies, enhance proportionality according to size and risk, and improve the coherence of EU sustainability legislation, while preserving the EU's long-term climate and social ambitions. Omnibus I seeks to rebalance the framework after several years of intense regulatory activity, in response to competitiveness concerns and a changing geopolitical and economic environment.

**On 16 December 2025, the European Parliament approved the final Omnibus I Directive amending the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD)** with a broad majority. Under the revised CSRD, reporting obligations are significantly narrowed, applying mainly to EU companies with more than 1,000 employees and €450 million turnover, as well as large non-EU groups with substantial EU activity. Financial holding companies are exempted, reporting obligations along the value chain are capped, and Member States may grant temporary exemptions for companies falling below the new thresholds for financial years 2025–2026.

For the CSDDD, the scope is further reduced to very large companies only, while several key elements – including mandatory climate transition plans, a harmonised civil liability regime and the potential extension to financial services – have been removed. The revised CSDDD will apply from July 2029.

**From the ABBL's perspective, simplification is necessary and welcome, but must not lead to a dilution of ESG objectives.** Banks rely on reliable, comparable ESG data to finance the transition effectively. While reducing complexity can free resources and improve efficiency, it should not undermine transparency, accountability or regulatory stability. We therefore advocated for a measured simplification, aligned with long-term sustainability goals, ensuring that the EU maintains both its leadership in sustainable finance and a predictable framework for investment.

We actively contributed to consultations to simplify the European Sustainability Reporting Standards, which provide the foundational guidelines that firms must apply to report under the CSRD, advocating for more proportionate and structured requirements in their second version. The revised standards are expected to be adopted within the first half of 2026.

Next steps include formal approval by the Council and national transposition within 12 months of the Directive's entry into force.



**Thomas Collin**  
Adviser, Regulatory Reporting  
and ESG, ABBL

## ESG Risk Framework

### ESG Risk Management – Integrating Sustainability into Prudential Frameworks

The integration of environmental, social and governance (ESG) risks into banks' risk management frameworks is a key pillar of the EU's sustainable finance agenda. Through CRD VI and related mandates, **regulators aim to ensure that banks systematically identify, assess, manage and monitor ESG risks and reflect them in their governance, strategy and risk appetite.** The objective is to enhance the resilience of the financial system to long-term sustainability risks, improve the allocation of capital towards sustainable activities and support the orderly transition of the economy, while embedding ESG considerations into prudential supervision in a consistent and forward-looking manner.

For banks, this framework represents **a significant transformation of risk management practices. Institutions are required to develop new methodologies, data sources and internal processes covering areas such as climate risk, transition and physical risks, scenario analysis and transition planning.** These requirements are inherently interdisciplinary, involving risk management, strategy, finance, IT and data functions. While ESG risk integration can strengthen long-term resilience and decision-making, it also creates operational challenges related to data availability, methodological uncertainty, overlapping regulatory requirements and implementation timelines. ESG risk is not a standalone risk category, but rather a cross-cutting risk that can materially affect profitability and the long-term stability of banks.

In this context, **the ABBL has actively contributed to industry-wide efforts to promote a consistent, proportionate and operationally feasible ESG risk management framework.** Through multiple contributions to European Banking Federation (EBF) consultations, we have helped shape industry positions on the EBA ESG Risk Management Guidelines, ESG Scenario Analysis Guidelines and Pillar III ESG disclosure standards. Across these initiatives, we consistently advocated for a risk-based approach, flexibility to reflect banks' business models and risk profiles, and coherence between prudential, reporting and disclosure frameworks, including CSRD and CRD requirements.

At national level, we maintain an **ongoing dialogue with the CSSF** on the practical modalities for implementing the additional ESG risk management requirements in Luxembourg. This engagement aims to ensure supervisory expectations are clear, aligned with EU guidance and applied in a pragmatic manner, allowing banks sufficient time and flexibility to embed ESG risks effectively into their existing governance and risk processes. In 2026, the next challenge for less significant institutions and small non-complex institutions will be the implementation of transition plans in their day-to-day business, as required by CSSF Circular 26/905.

**Alexandre Dias**  
Adviser, Financial Markets  
and ESG, ABBL



# Payments

## PSD3 / PSR – Modernising EU Payments and Strengthening the Fight against Fraud

Since the adoption of the first Payment Services Directive (PSD) in 2007, the EU payments framework has evolved to enhance consumer protection, transparency and efficiency. PSD2, implemented in 2018–2019, marked a major shift by enabling open banking and introducing Strong Customer Authentication (SCA). Building on this evolution, the European Commission presented in June 2023 a new **Payment Services Package**, consisting of a revised **Payment Services Directive (PSD3)** governing the licensing and supervision of payment institutions, and a directly applicable **Payment Services Regulation (PSR)** setting out operational rules for payment and electronic money services.

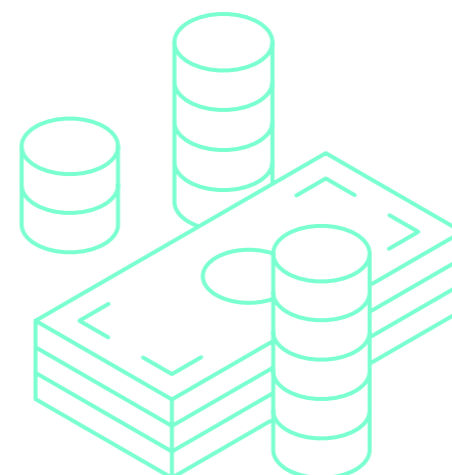
The package pursues **six key objectives**: combating payment fraud, strengthening consumer rights, ensuring a level playing field between banks and non-banks, improving the functioning of open banking, safeguarding access to cash, and enhancing harmonisation across the EU.

In **2025**, the legislative process reached an important milestone. Following the fourth trilogue, the Council and the European Parliament reached a **provisional political agreement** on the Payment Services Package. The agreed text introduces a comprehensive anti-fraud framework, including enhanced information sharing between payment service providers and clearer liability rules where preventive obligations are not met. Importantly, major

online platforms and search engines will only be allowed to advertise financial services if the provider is duly authorised in the relevant Member State. The agreement also foresees streamlined authorisation procedures for payment institutions and crypto-asset service providers already authorised under MiCA, while maintaining appropriate risk controls. Final technical discussions and formal adoption are expected ahead of publication in the Official Journal.

Throughout this process, the ABBL has remained **actively engaged**. We contributed to numerous **European Banking Federation positions and non-papers**, maintained **direct dialogue with the Ministry of Finance** to amend specific articles and recitals, and consistently advocated for a **fair and balanced liability framework** in relation to digital payment fraud. Our experts will continue to closely monitor PSD3 / PSR developments, including technical committee work and trilogue follow-ups, to ensure that the final framework is effective, proportionate and workable for the Luxembourg banking community.

The ABBL has played an active and constructive role in shaping this framework, ensuring that it effectively balances innovation, security and operational feasibility for the banking sector. These developments further strengthen the foundations for a secure and innovative European payments ecosystem, in which Luxembourg continues to play a key role.



## Instant Payments – Speed, Security and Trust in Everyday Transactions

Instant payments are a cornerstone of the European Union's strategy to modernise retail payments and enhance their efficiency, accessibility and security. Following the **European Commission's proposal published in March 2024**, EU legislation requires payment service providers (PSPs) offering credit transfers in euro, to enable customers to send and receive instant payments – defined as **euro transfers executed within seconds, 24 hours a day, 7 days a week, throughout the year**.

**In 2025, instant payments became fully operational across the euro area.** Since 9 January 2025, PSPs have been required to receive instant Single Euro Payments Area (SEPA) credit transfers. From 9 October 2025, they must also be able to send instant payments, alongside the mandatory implementation of the **Verification of Payee (VoP) mechanism**. These developments mark a major milestone for European payments, making instant transfers the new standard while significantly strengthening protection against fraud and errors.

**For consumers and businesses**, instant payments offer substantial benefits in terms of convenience and speed: funds are credited within seconds, enabling immediate reimbursements, urgent payments, peer-to-peer transactions and secure second-hand purchases. At the same time, the introduction of VoP enhances security by automatically verifying the consistency between the beneficiary's name and IBAN before executing a transfer, helping to prevent fraud linked to impersonation or incorrect data entry.

The transition has mobilised significant investments and expertise, demonstrating the banking sector's capacity to rapidly modernise infrastructures and operate securely in a real-time environment.

Throughout this process, the ABBL has played a **central coordinating role**, supporting its members through technical guidance, industry coordination and communication initiatives. As Luxembourg's **National Adherence Support Organisation (NASO)** for SEPA schemes, we facilitated implementation efforts and contributed to public awareness through dedicated information channels. This collective action underscores the Luxembourg banking sector's commitment to delivering faster, safer and more reliable electronic payments, while strengthening trust in the digital payment ecosystem.



**Galina Miroshnichenko**  
Adviser, Payments & Digital, ABBL



**Arnaud Clément**  
Head of Innovation  
& Payments, ABBL

## Digital Identity – A New Foundation for Secure Digital Services

The European Digital Identity framework marks **a decisive step towards strengthening trust, security and interoperability in the Digital Single Market**. With the revision of the eIDAS Regulation (eIDAS 2.0), formally adopted in 2024, each Member State should provide by end of 2026 a European Digital Identity Wallet, enabling citizens and businesses to securely identify themselves online, store official credentials and share verified data across borders. The initiative aims to enhance user control over personal data, reduce reliance on platform-based authentication models and facilitate seamless access to public and private services, including financial services.

For the banking sector, the European Digital Identity Wallet represents both an opportunity and an operational challenge, requiring alignment with existing KYC, AML/CFT and onboarding frameworks while ensuring cybersecurity, interoperability and proportional implementation. The ABBL has actively engaged in national and European discussions, supporting Luxembourg's preparation for the wallet's deployment and advocating for a pragmatic, secure and interoperable approach that preserves trust, fosters innovation and maintains a level playing field within the financial ecosystem.



## Digital Euro – A Public Means of Payment in a Changing Financial Landscape

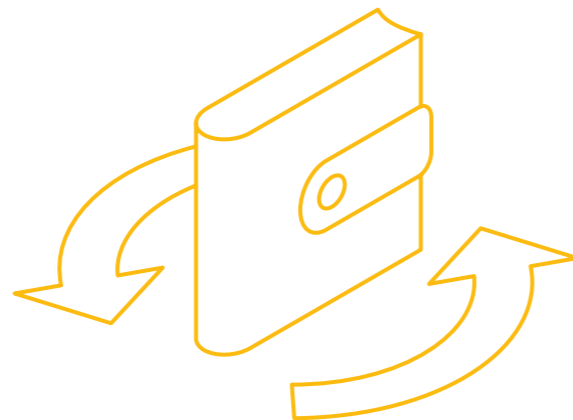
Payment habits are evolving rapidly, driven by digitalisation, changing consumer expectations and geopolitical developments that have reinforced Europe's ambition for strategic autonomy. In this context, the **digital euro** represents a major potential evolution of the European payment ecosystem, aiming to provide citizens and businesses with a safe, accessible public means of payment **that complements cash in an increasingly digital economy**.

**Since January 2020, the European Central Bank (ECB) has been working on the development of a central bank digital currency (CBDC)**, with the objective of preserving access to central bank money while supporting innovation and resilience in retail payments. Following the European Commission's legislative proposals of 28 June 2023, which set out the legal framework for a potential digital euro and reaffirmed the legal tender status of cash, **the project reached a new phase in 2025**. The ECB's preparation phase, launched in October 2023, continued with work on the digital euro rulebook, technical design choices and engagement with market participants. At the same time, legislative discussions on the digital euro regulation progressed at EU level, focusing on key issues such as governance, distribution, privacy safeguards, remuneration and holding limits. Further political negotiations are expected before any final decision on issuance is taken.

The European banking sector, including ABBL members, broadly shares the objective of offering a trusted public digital means of payment, **provided the digital euro delivers clear added value to consumers and the economy and is developed in close public-private cooperation**, as consistently advocated by the European Banking Federation (EBF).

For Luxembourg banks, the challenges are multifaceted: adapting payment infrastructures, managing implementation and operating costs, and safeguarding their central role as financial intermediaries in deposit taking, financing the economy and maintaining trusted customer relationships.

A digital euro should complement, not crowd out, **existing private European payment solutions**, support innovation (including offline use cases and programmable payments), and preserve financial stability. We strongly support an **intermediated model**, whereby banks and payment service providers distribute the digital euro, perform AML/CFT checks and integrate it into existing customer interfaces. In line with industry consensus, we continue to stress the importance of **low and stable holding limits**, following a "start low and adjust if necessary" approach, to prevent adverse impacts on bank deposits, liquidity and lending capacity. This approach reflects the sector's commitment to supporting innovation while preserving financial stability and maintaining the central role of banks in delivering trusted payment services.



# Digital and Innovation



## Luxembourg's Role in the ECB's Wholesale Central Bank Money Settlement Pilot

In 2024, the Eurosystem accelerated its work on settling wholesale financial transactions in central bank money using Distributed Ledger Technology (DLT). Following an exploration phase, the ECB's Governing Council decided to extend the initiative, paving the way for a wholesale central bank money settlement. **Luxembourg played a prominent role in these efforts**.

As financial markets increasingly adopt DLT for securities issuance and settlement, market participants have called for a safe and stable central bank money solution compatible with blockchain-based infrastructures. While TARGET Services have provided digital interbank settlement for over 25 years, they were not designed for on-chain transactions. **The absence of an efficient euro cash solution for DLT platforms led many actors to request a wholesale central bank money settlement**.

The Eurosystem conducted two waves of large-scale experiments involving 64 participants and more than 200 transactions worth €1.59 billion. The tests covered securities settlement, delivery-versus-payment (DvP), and cross-currency payment-versus-payment use cases.

Building on this work, in mid-2025 the ECB approved two complementary initiatives, **Pontes and Appia**, to modernise wholesale settlement infrastructure. Pontes is a shorter-term project that will link market DLT platforms with TARGET Services so transactions can settle in central bank money, with a pilot expected by Q3 2026. Appia is a longer-term initiative focused on designing a future-ready, integrated financial ecosystem that could include harmonised shared ledgers or networks for issuing, recording and settling tokenised assets across Europe and beyond. Both tracks aim to support innovation while preserving safety and fostering interoperability with existing systems.

**Several ABBL members have been participating in the project**. The Central Bank of Luxembourg coordinated Luxembourg-related use cases and sees wholesale central bank money settlement as essential to maintaining the role of central bank money as a monetary anchor in digital wholesale markets.

**Andrey Martovoy**

Senior Adviser, Innovation & Digital, ABBL





## Digital Operational Resilience Act (DORA) – From Compliance to Resilience

The Digital Operational Resilience Act (DORA), **applicable since 17 January 2025**, marks a fundamental shift in the way the European financial sector addresses Information and Communication Technology (ICT) risk, cybersecurity and operational resilience. Its objective is to ensure that financial entities can withstand, respond to and recover from ICT-related disruptions, thereby safeguarding financial stability, market integrity and customer trust. By establishing a single, harmonised framework across the EU, DORA also strengthens supervisory convergence and provides legal clarity in an increasingly interconnected digital environment.

**One year into DORA's application, the focus has moved decisively from implementation to operationalisation.** While institutions have achieved baseline compliance, 2025 has highlighted the scale and complexity of embedding DORA requirements into day-to-day governance, risk management and third-party oversight. In particular, financial institutions continue to face challenges related to data quality, incident reporting processes, threat-led penetration testing and the alignment of contractual arrangements with ICT third-party providers.

In this context, **third-party risk management has emerged as a key priority.** The ABBL has actively advocated for a **DORA-aligned, proportionate and workable framework**, stressing the need to avoid excessive contractual and operational burdens that could undermine efficiency without materially improving resilience. We have consistently called for clarity on subcontracting chains, realistic expectations for oversight, and a balanced approach that reflects the diversity of business models and risk profiles across the Luxembourg financial centre.

Throughout 2025, we have continued to support our members through **policy advocacy, guidance and dialogue with supervisors**, while fostering cooperation between financial institutions and ICT providers. By promoting a pragmatic and risk-based application of DORA, the ABBL aims to help transform regulatory compliance into a genuine driver of resilience, innovation and trust in the digital financial ecosystem.

## Facilitating a Mutualised DORA ICT Audit to Strengthen Sector Resilience

As Luxembourg's financial sector navigates through the EU Digital Operational Resilience Act (DORA), **the ABBL is supporting a mutualised external ICT audit initiative involving several member institutions and a shared third-party provider considered critical to their operations.** This joint approach brings together six banks to conduct a coordinated audit of LuxTrust S.A.

The objective is to ensure aligned expectations under DORA and outsourcing requirements, while strengthening collective third-party risk governance. **By mutualising the effort, the initiative aims to reduce duplicative assessments and create a more efficient and consistent assurance process across participating financial entities.**

ABBL's role is to act as a sector facilitator: convening stakeholders, supporting the definition of a common audit scope, and enabling a structured engagement through a dedicated Request for Proposal (RFP) process. Importantly, the model preserves confidentiality

and individual accountability, with separate contracts and separate final reports produced for each participating institution.

The project is ongoing, and the audit aims to assess the robustness of key operational resilience and ICT security domains, including business continuity, incident detection and response, subcontracting chain, 4th party due diligence and other important aspects of ICT risk management.

For ABBL members, this approach delivers stronger assurance with **reduced effort and better alignment across the sector.** For the ICT service provider, it offers **greater clarity, fewer repeated requests, and a more predictable audit process** – supporting a constructive dialogue and reinforcing trust and resilience across the ecosystem.

## Financial Data Access Regulation (FIDA) – Unlocking Open Finance with Caution and Proportionality

The proposed **Financial Data Access Regulation (FIDA)** is a cornerstone of the EU's open finance agenda, aiming to **foster innovation, competition and customer empowerment by enabling the secure sharing of financial data, with customer consent, between financial institutions.** By extending data access beyond payments to areas such as savings, investments, insurance and pensions, FIDA seeks to support data-driven business models and more personalised financial services, while giving customers greater control over their data.

In **2025**, the legislative process entered a decisive phase. Following the adoption of positions by the European Parliament and the Council, **trilogue discussions were ongoing**, focusing on narrowing the scope and refining key operational aspects of the proposal. These discussions reflect growing awareness of the need to ensure that FIDA delivers tangible benefits without imposing disproportionate complexity or cybersecurity risks on the financial sector.

The ABBL is **actively contributing to the Council position and trilogue negotiations**, working closely with the Ministry of Finance and the European Banking Federation. Its advocacy focuses on several key priorities: promoting

a **demand-driven approach** to data sharing, ensuring that Financial Data Sharing Schemes (FDSS) develop progressively and build on existing industry experience, clarifying the scope of customers and data covered, and addressing concerns around the inclusion of BigTechs and third-country entities as Financial Information Service Providers. The ABBL also stresses the importance of clear liability rules and robust security standards aligned with frameworks such as DORA.

More fundamentally, the ABBL echoes concerns expressed by market practitioners regarding the **risk of over-regulation.** While open finance can respond to legitimate client needs – particularly for certain private banking and wealth management clients seeking consolidated views of their assets – **these use cases concern only a limited segment of customers. A uniform regulatory approach risks diverting resources from other digital priorities**, such as artificial intelligence and cybersecurity, and may undermine trust if data sharing becomes overly complex or insufficiently secure. In this context, **we continue to advocate innovation driven by real demand and trust, rather than regulation alone.**

## Simplification of Reporting to CSSF

In 2025, the ABBL conducted a survey of its members regarding regulatory reporting processes towards the CSSF, identifying some opportunities for simplification. While the objectives of supervisory reporting are fully supported by the industry, the current framework has evolved into a complex ecosystem characterised by fragmented submission channels, overlapping data requests and increasing technical burdens.

Our proposals focus on pragmatic and forward-looking solutions: **greater harmonisation of submission channels, enhanced data re-use across authorities, simplified and proportionate templates, and the development of shared tools where appropriate.** Particular attention is given to the implementation

of new frameworks such as DORA, where early alignment and mutualisation could prevent unnecessary duplication and ensure efficient compliance from the outset.

Overall, the initiative reflects our commitment to constructive dialogue with authorities. **Digitalisation should not translate into additional complexity, but rather into smarter, more efficient and proportionate supervision.** The proposed measures aim to reduce administrative burden, improve data quality and reinforce Luxembourg's competitiveness as a leading financial centre.

# 05

## Facilitating Exchanges and Fostering Best Practices



The ABBL plays a pivotal role in a constantly evolving ecosystem. Our teams foster collaborations and exchange of best practices with and among members, as well as with other economic actors and relevant authorities. We also provide members with industry and regulatory expertise, among others through research projects.



# New Workstreams

## Forum for Payments and E-money institutions

A new forum for members to address specific needs like new governance directive, technical and/or regulatory impacts.

## Working Groups

- **Artificial Intelligence:** establishment of a dedicated task force to foster peer exchange, monitor regulatory and technological developments, and support alignment with national and European frameworks. Emphasis on responsible AI adoption, sharing of use cases and best practices, coordinated industry responses to consultations, and strengthening the sector's capacity to leverage AI-driven innovation.
- **Third-Party Arrangements:** peer-to-peer learning, development and sharing of best practices, alignment on supervisory expectations on risk governance, operational efficiency, and continuous improvement in the lifecycle management of third-party arrangements. Focus on merging ICT and traditional outsourcing frameworks while addressing related regulatory and operational concerns.

## Task Forces

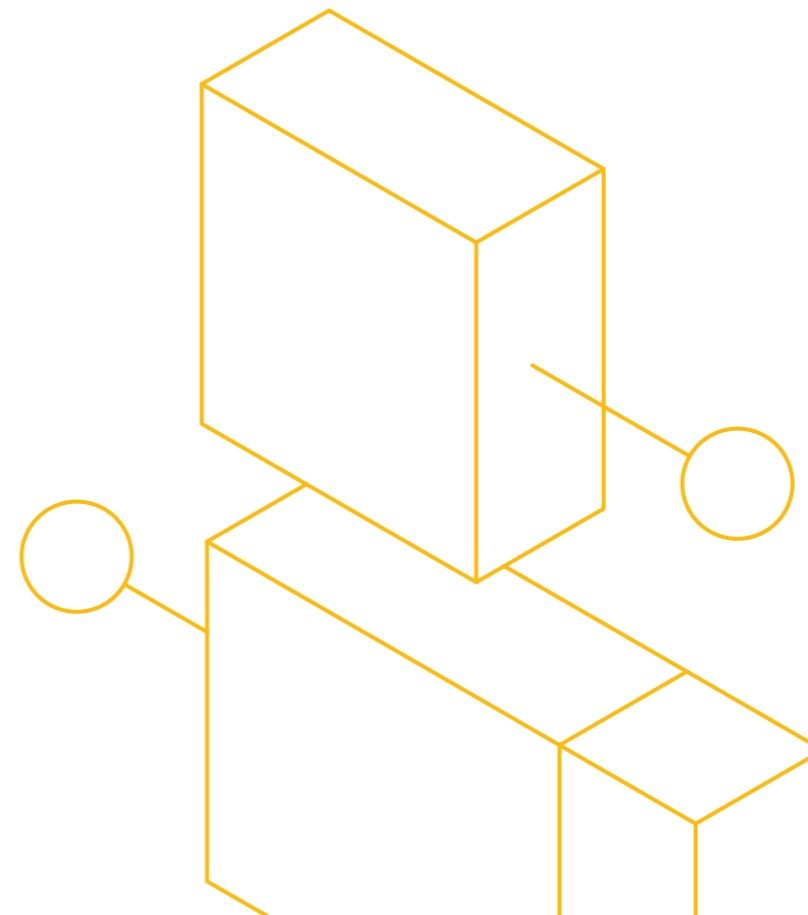
- **Pre-Filed Tax Return:** support banks in the contemplated implementation of pre-filed tax return by creating a continuous dialogue with tax authorities on the subject.
- **Pay Transparency Directive:** launched to support members in the implementation of that Directive and provide adequate feedback in the legislative process.
- **Vademecum "Funds":** preparation of standard KYC checklists and guidelines regarding KYC requirements for the onboarding of investment funds structures.
- **Sustainability Regulatory Best Practices:** aim to strengthen oversight and promote transparency to prevent and combat greenwashing in corporate sustainability claims.
- **CRDVI Third Country Branches:** focused on CSSF Circular 12/552, covering the requirements for sound management practices, oversight, risk controls, and governance arrangement.
- **Rechargeable Mortgage:** draft legislative amendments to implement a legal framework for rechargeable mortgages under Luxembourg law.
- **Joint ABL/ALFI Task Force on FASTER:** ensure the effective and efficient implementation of FASTER by our members.

## ABBL & SEPA

The ABBL acts as SEPA's National Adherence Support Organisation (NASO) and actively supports the SEPA initiative regarding the introduction of new payment systems or the migration of existing systems to new standards.

As a participant in the decision-making and working bodies of the European Payments Council (EPC), the ABBL influences the respective implementation of the current schemes by providing background information to its members.

For future developments, the ABBL represents members' and non-ABBL members and contributes to the development of standards, rules, guidebooks, best practices, technical and operational recommendations for the SEPA community.



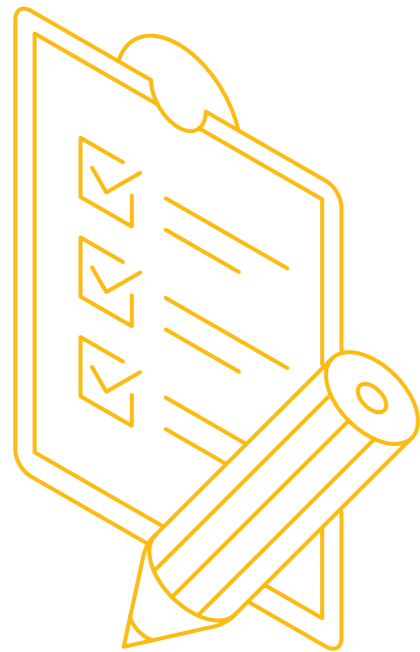
# Surveys

Surveys are a unique tool to monitor and measure the long-term development of the banking sector and identify key trends. They serve as a benchmarking tool for members.

## Annual Industry Surveys

For several years, the ABBL has been conducting annual surveys on the Luxembourg private banking, retail banking, depository and custodian banking and of the corporate banking industries. These surveys, developed with the support of the CSSF, offer comprehensive insights and a keen understanding of our financial landscape. They are a robust tool that has proven valuable for our members, as they provide a panoramic view of the market trends and allow benchmarking with peers.

Facts and Figures drawn from these surveys can be found in the Snapshot of the Luxembourg Banking Sector section of this report.



## Thematic Surveys

### Cost of Regulation Survey (in cooperation with EY)

The ABBL / EY Cost of Regulation Survey 2025 analyses the impact of regulatory requirements on Luxembourg's banking sector, based on responses from 22 institutions representing a significant share of market assets and employment. The survey examines how regulation influences costs, staffing, operations and strategic priorities, covering areas such as AML/CFT, tax transparency, ESG and operational resilience. The findings show that regulatory costs and investments continue to rise, with larger banks bearing higher absolute costs while smaller institutions face a heavier burden relative to their size. The report highlights compliance as a key cost driver and underlines the need for a clear, proportionate and risk-based regulatory framework to maintain competitiveness and support economic growth.

### Generative Artificial Intelligence (Gen)AI and Data Use Survey (in cooperation with ACA & PwC)

The ABBL, ACA and PwC (Gen)AI and Data Use Survey 2025 provides insights into data governance maturity, AI adoption and regulatory readiness across Luxembourg's financial sector. Based on responses from over 100 organisations, including 74 regulated entities, the survey explores how firms are aligning data strategy with AI enablement amid growing supervisory focus. While progress is evident in data governance frameworks, gaps remain in strategic data use, tooling and internal AI literacy. The findings highlight data readiness as a critical enabler of responsible AI deployment, with use cases emerging in risk, compliance and document automation. The report underscores expectations for clearer regulatory guidance and supports sector preparedness for the EU AI Act through collaboration and knowledge sharing.



## Crypto-assets Management Survey (in cooperation with LHoFT and PwC)

The third edition of the Crypto-Assets Management Survey, conducted by PwC, commissioned by the LHoFT and with the support of the ABBL and industry partners such as ALFI and Luxembourg Blockchain Lab, assesses the growing integration of crypto-assets and tokenisation within Luxembourg's financial sector. Expanding its scope to include banking services and crypto-asset service providers, the survey shows a clear shift from experimentation to adoption. Institutional confidence continues to rise, with increasing expectations for

crypto-related growth across asset management, retail banking and wealth management. Tokenisation is widely seen as a key enabler of efficiency and innovation. While challenges remain around expertise, regulation and infrastructure, the findings highlight momentum and call for a proactive, coordinated approach to strengthen Luxembourg's position as a regulated crypto and tokenisation hub.

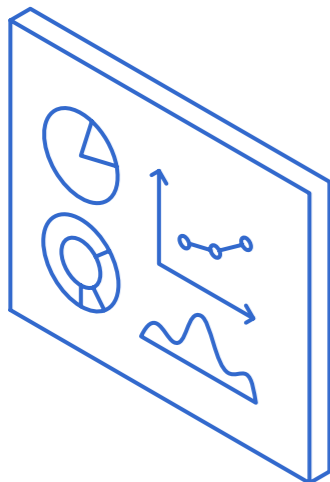
# Guidelines and Standards

The ABBL's mission is to promote the sustainable development of regulated, innovative and responsible banking services. This materialises in the association acting as a trusted intermediary between the regulator and regulated entities, but also in defining and spreading best practices to upgrade industry standards.

## In 2025, we published several new guidelines:

### Markets in Financial Instruments Directive (MIFID) Guidelines Investor Protection

The revised ABBL Industry Guidelines on MiFID II – Investor Protection, published in June 2025, provide practical, non-binding guidance to support Luxembourg banks in applying MiFID II requirements with a strong focus on investor protection. Developed over more than a year through close collaboration between banks, law firms and advisory firms, the second edition reflects regulatory developments, supervisory expectations and market practices. The guidelines cover key areas including suitability and appropriateness, cost transparency, product governance, client communications and ESG preferences. They serve as a pragmatic reference aligned with EU and Luxembourg frameworks, reinforcing ABBL's role as a platform for regulatory dialogue and collective expertise, and helping members place clients' interests at the centre of compliant business practices.



### Diversity, Equity and Inclusion Guidelines for the Banking Sector

The ABBL DE&I Guidelines provide a structured framework to support banks in strengthening inclusive, equitable and diverse workplaces across the sector. Developed in close collaboration with members, they reflect a shared commitment to fostering a more attractive, innovative and resilient financial centre.

Rather than prescribing a one-size-fits-all approach, the guidelines aim to equip institutions with common reference points, promote alignment with evolving regulatory expectations, and facilitate the exchange of best practices. They also support banks in translating ambition into concrete action, while taking into account their different sizes, business models and levels of maturity.

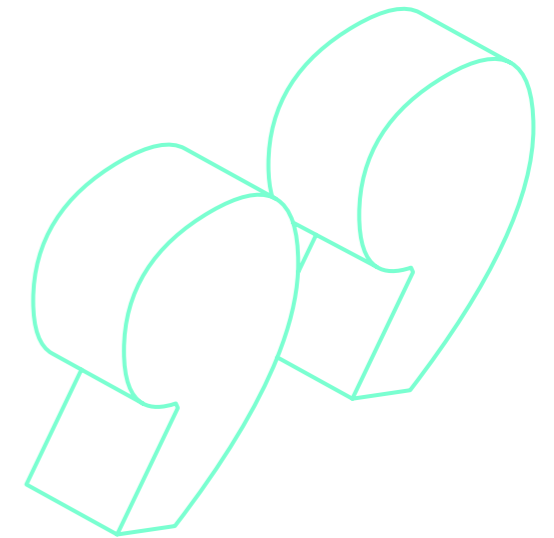
By offering this common framework, the ABBL contributes to anchoring DE&I more firmly within governance, talent strategies and organisational culture – ultimately reinforcing the sector's long-term competitiveness and its ability to attract and retain diverse talent.

# Expert Events and Conferences

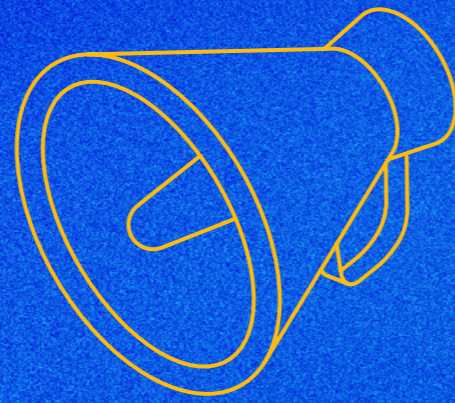
ABBL events provide the opportunity for knowledge sharing, networking, and upskilling by bringing together professionals with similar interests, expertise, and backgrounds. Many of these conferences are organised in cooperation with or in presence of local authorities.

In 2025, the ABBL member relations team organised 50 events which were attended by more than 5,000 participants.

ABBL experts participated as panelists on more than 46 key conferences and events.



# Landmark Expert Events in 2025



**January**  
**Banks CEOs & Fintechs Speed Meeting**  
100 participants.



**October**  
**Evolution of Payment activities in Luxembourg**  
150 participants.  
In cooperation with Manzari Legal.



**September**  
**Diversity, Equity & Inclusion**  
Keynote speaker: Yuriko Backes, Minister for Gender Equality and Diversity.  
100 participants.

**Banking Summit**  
Keynote speaker: Maria Abascal (EBF).  
200 participants.

**April**  
**AML/CFT Conference**  
300 participants.  
In cooperation with the CSSF.



**May**  
**AI Survey**  
300 participants.  
In cooperation with the CSSF & ALFI.



**December**  
**Cost of Banking Regulation**  
Keynote speaker: Sebastien de Brouwer (EBF).  
In cooperation with EY.  
100 participants.

**FinTech Innovation Forum**  
150 participants.  
In cooperation with UBS.

**AI Act – CSSF Guidelines**  
300 participants.

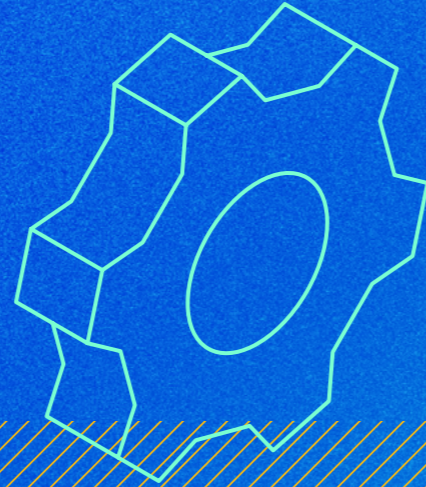
**ABBL Welcome Reception for New Members**  
80 participants.

**November**  
**DORA**  
300 participants.  
In cooperation with the CSSF & ALFI.

**June**  
**Wealth Management Day**  
80 participants.  
In cooperation with PwC.  
**Look-through & Control guidelines**  
70 participants.  
In cooperation with LPEA.

**July**  
**Chairman's Dinner**  
Keynote speaker: Nick Jankel.  
250 participants.

# 06



## How we approach Responsibility

### 7<sup>th</sup> Commitment: Responsible Banking

ABBL members make every effort to behave in a socially responsible manner. In a continuously evolving environment, ABBL members commit to be transparent and clear about how their products and services may create value for their clients and investors, and how they impact the society.

As the voice of the Luxembourg banking sector, we promote a sustainable financial system that combines the interests of society and the environment with financial prosperity. The ABBL has thus adhered to the United Nations Principles for Responsible Banking (PRBs) since 2019, a commitment through which we promote the PRBs among our

members and support them in their implementation. We have formally incorporated the PRBs into our Code of Conduct by adding a 7<sup>th</sup> commitment, which engages our members to conduct their business in a responsible manner.



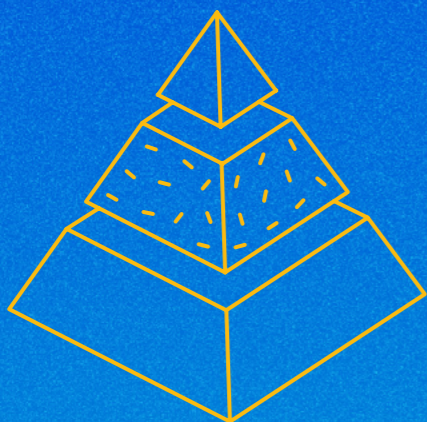
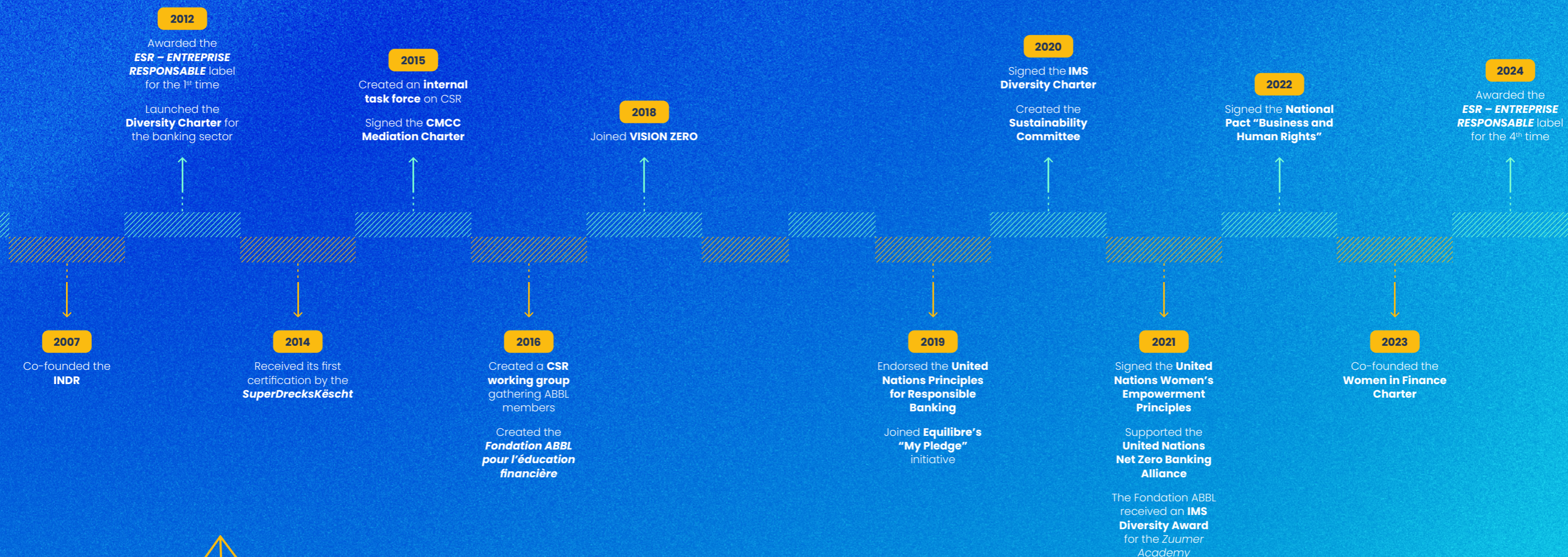
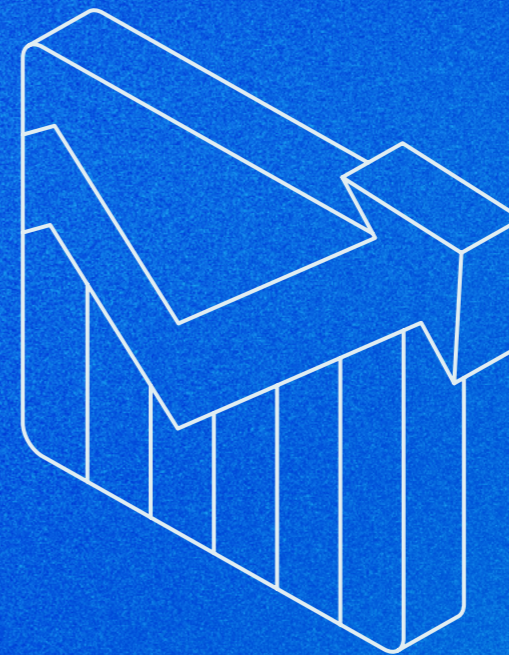
# Our Material Topics

We have engaged our stakeholders in 2022 to better understand their expectations regarding the ABBL's contribution to sustainable development. These findings now provide the basis for the information we will prioritise in our transparency.

- 1 Sound and responsible governance**
- 2 Professional integrity**
- 3 Legal compliance**
- 4 Advocacy and employer representation**
- 5 Financial education**
- 6 Cooperation and coordination with our partners**
- 7 Personnel competence and engagement**
- 8 Diversity, equity and inclusion**
- 9 Responsible employment and recruitment**

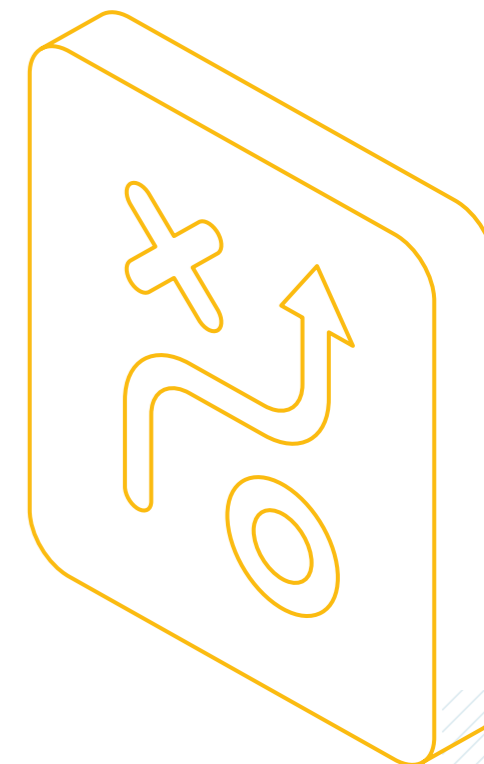
## Key Dates of our Sustainability Journey

Our dedication to responsibility has been recognised with the *ESR – ENTREPRISE RESPONSIBLE* label, which we have proudly received for the fifth consecutive time in 2024. This distinction underscores our continuous improvement and unwavering commitment to responsible business conduct.



# 07

*The Fondation ABBL  
pour l'Éducation  
Financière*



# Strategic Focus and Evolution

Founded in 2006 by the ABBL, the *Fondation ABBL pour l'Éducation Financière* was established with the following objectives:

- To support and promote financial literacy in Luxembourg and internationally;
- To strengthen education and training within the financial sector;
- To provide financial support to the University of Luxembourg for academic research projects related to the Luxembourg financial centre.

In an increasingly complex and highly digitalised economic and financial environment, equipping every citizen with the skills to manage personal finances and plan for the future has become an absolute priority.

The *Fondation* is fully committed to this dynamic, addressing a growing need for financial awareness and responsibility, and ensuring that the prosperity of Luxembourg's financial centre benefits society as a whole.

A major milestone in the European financial education landscape was reached on 30 September 2025 with the publication of the **Financial Literacy Strategy by the European Commission**. This ambitious framework, a cornerstone of the Savings and Investments Union (SIU), highlights that fewer than 20% of European citizens possess a high level of financial literacy, underscoring the need for action at all stages of life.

Across EU Member States, key challenges include:

- Strengthening resilience in the face of digitalisation, preventing online fraud—particularly critical in an era of instant payments—and fostering understanding of sustainable finance;
- Transforming savings into productive investments by equipping citizens to make informed decisions in the context of inflation and digital risks.

Through its missions and strategic direction, the *Fondation* actively contributes to this European momentum.

Taking into account these challenges, the *Fondation* refined its mission in 2025 to focus exclusively on financial literacy in Luxembourg, with particular emphasis on:

- **Strengthening financial education in schools**

Taking concrete action to integrate essential financial skills from an early age, in alignment with the national action plan presented in December 2025 by the Ministry of Education.

- **Preventing over-indebtedness**

Promoting financial knowledge as a key pillar of personal empowerment. The *Fondation* provides training and educational tools and collaborates with socio-educational stakeholders to design awareness initiatives tailored to more vulnerable audiences.

- **Preventing online financial fraud**

Actively contributing to national awareness initiatives, such as the launch of [cyberfraud.lu](https://cyberfraud.lu) in June 2025 — a central platform designed to help identify, report, and combat fraud—as well as the *Sécher am Internet* platform, which supports the general public in navigating e-banking environments safely.

# Means of Action

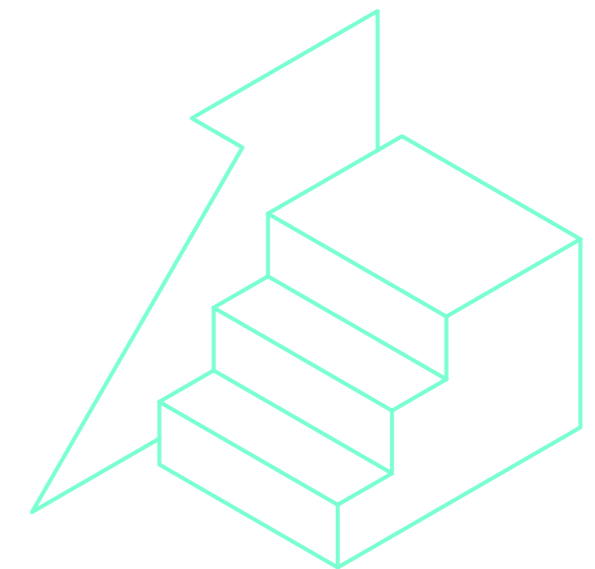
To maximise its impact, the *Fondation* leverages a range of concrete actions, including:

- Acting as a **key voice in financial education** within national strategic initiatives and conducting active advocacy through media and social networks;
- **Organising educational workshops and training trainers** to amplify outreach and impact in the field;
- **Developing educational materials and interactive tools** to make financial information accessible to all;
- **Promoting cross-sector collaboration** (government authorities, the financial sector, academia, and the socio-educational sector) and facilitating the exchange of best practices at both national and European levels.

Supported by the ABBL, the Luxembourg Chamber of Commerce and ALFI, the *Fondation* operates on a **solid and independent** structure. With sustainable operational resources, it carries out its awareness and training missions with full impartiality.

Through its field initiatives, the *Fondation* acts as a driving force, coordinating its activities through a network of **volunteer trainers**, most of whom are employees of ABBL member institutions.

It also works closely with the **Ministry of Education and financial industry stakeholders, such as the CSSF**, to strengthen the economic resilience of future generations.



# The *Fondation's* Initiatives in 2025

## 11<sup>th</sup> Edition of the *Woch vun de Suen*

In 2025, the *Woch vun de Suen* (Money Week) celebrated its 10th anniversary. Coordinated by the *Fondation* with the support of the *Ministère de l'éducation nationale de l'enfance et de la jeunesse*, this initiative has become a key educational event for Cycle 4 students (aged 10–12) in primary education.

## Strong Field Engagement through Volunteers

The success of the initiative relies on a pool of nearly 80 volunteers from the financial sector, mainly bank employees and some representatives from the CSSF. Following a short training session and with dedicated teaching materials, these professionals visit classrooms to deliver interactive workshops, turning abstract financial concepts into practical life lessons. Their mission is to introduce young students to the fundamentals of money in an engaging and accessible way.

## A European and global dimension

The Luxembourg initiative is part of broader international campaigns:

- At European level, it aligns with the European Money Week coordinated by the European Banking Federation (EBF);
- At global level, it contributes to the Global Money Week (GMW), coordinated by the OECD/INFE.

## Why is the 10–12 age group being prioritized as a target audience?

The objective is to equip young people with basic financial skills before entering secondary education, a stage where financial autonomy becomes increasingly important. By embedding these concepts early, the *Fondation* and its partners help prepare future citizens to navigate an increasingly complex financial environment, including associated risks.

## European Money Quiz

Each year, classrooms across Luxembourg come alive with enthusiasm ahead of the European Money Quiz. This national financial literacy competition offers students aged 13–15 the opportunity to compete for a place in the European final, representing Luxembourg against more than thirty countries.

More than just a competition, the quiz serves as a key educational tool to assess students' knowledge and behaviour in practical areas such as:

- **Budget management and saving:** understanding how to manage money in everyday life;
- **Economic concepts:** grasping inflation and calculating interest;
- **Cybersecurity and fraud prevention:** addressing the growing sophistication of financial scams, with digital protection as a core priority for the *Fondation*.

Participation helps students become informed and responsible consumers in an increasingly complex financial world.



## National Campaign Against Online Fraud

The launch of *cyberfraud.lu* in June 2025 marked a turning point in the fight against cybercrime in Luxembourg. Led by the Luxembourg House of Cybersecurity (LHC), the initiative brings together more than 15 public and private partners under the patronage of the Ministry of the Economy.

The *Fondation* played a key role in co-initiating this first national campaign, in line with its mission to raise awareness and protect citizens against digital financial risks. Acting as a catalyst for education and awareness, the campaign centralises prevention advice, reporting procedures and best practices to counter the rise in online scams.

## Campaign Objectives

In response to a 20% increase in reported online fraud cases in 2024, the campaign aims to turn vigilance into a national reflex by:

- Raising awareness of evolving fraud techniques (phishing, smishing, vishing, quishing);
- Promoting key safety behaviours: "Do not click – Verify – Report.";
- Centralising resources via a single platform for identifying fraud types and accessing support.

The campaign directly addresses gaps identified in the 2023 OECD/INFE financial literacy survey, including limited financial knowledge, challenges in applying digital skills in financial contexts, and the particular vulnerability of young people.

## Conference on Financial Education in Luxembourg

On 23 October 2025, the *Fondation* convened experts for a roundtable discussion on the state of financial education in Luxembourg. The event featured a keynote speech by the Minister of Education, Claude Meisch, who presented an ambitious roadmap for the coming years.

### Key announcements included:

- The creation of a “Financial Literacy Schools” label to recognise committed institutions;
- The integration of financial education across school curricula;
- Luxembourg’s participation in the financial literacy component of the PISA study in 2029.

### Key discussion areas

The roundtable explored three main pillars:

- Education: embedding financial literacy sustainably within the school journey;
- Digitalisation: understanding how technology reshapes financial behaviours;
- Prevention: leveraging education to combat over-indebtedness from an early age.

The discussions highlighted that financial education goes beyond managing a bank account and constitutes a fundamental component of responsible citizenship. The conference confirmed the need for coordinated action between the financial sector, education stakeholders and social actors.

## Training Workshops

The *Fondation* offers two modular training programmes tailored to different knowledge levels and delivered in French, English, German and Luxembourgish.

### Budget Management Workshop

**Target audience:** Young people aged 13–27 (schools and socio-educational structures)

**Objective:** Promote financial autonomy through practical education, prevent over-indebtedness and encourage sound financial management.

The programme is aligned with the EU/OECD financial competence framework and structured around:

- **Knowledge:** understanding budgeting, interest, credit and fraud risks;
- **Skills:** planning savings, comparing offers and using digital tools securely;
- **Attitudes:** fostering responsible consumption, confidence and vigilance.

The initiative responds to key challenges identified in Luxembourg, including a generational gap in financial literacy and strong demand from young people for better financial education.

### Sustainable Finance Workshop

**Target audience:** Students aged 15–20

**Objective:** Explain financial mechanisms and their role in ecological and social transition.

Key topics include:

- ESG criteria and their influence on investment decisions;
- Green and social finance instruments;
- The role of finance in sustainable development.

The workshop also highlights Luxembourg’s position as a leading hub for sustainable finance and prepares students for future labour market transformations.

## Partnership Agreement with SCRIPT

To strengthen the integration of its activities within secondary education, the *Fondation* signed a partnership agreement with SCRIPT (Service for the Coordination of Educational and Technological Research and Innovation) at the end of 2025.

This agreement formalises and structures all *Fondation* interventions, ensuring alignment with national educational standards and enhancing the pedagogical quality of its programmes.

In response to growing demand from schools, the *Fondation* has also expanded its volunteer network by engaging new partner institutions, ensuring the sustainability and scalability of its initiatives.



## Hackathon 2025 – “The Future of Banking: Saving & Investing Reinvented”

The *Fondation* further engaged with young people aged 15–19 as the main sponsor of the hackathon organised by the Luxembourg Tech School in July 2025.

### Active and Immersive Involvement

Beyond financial support, the *Fondation* contributed through mentoring and jury participation. Experts from ABBL member institutions guided students in developing viable prototypes and evaluated final projects.

### Key Objectives

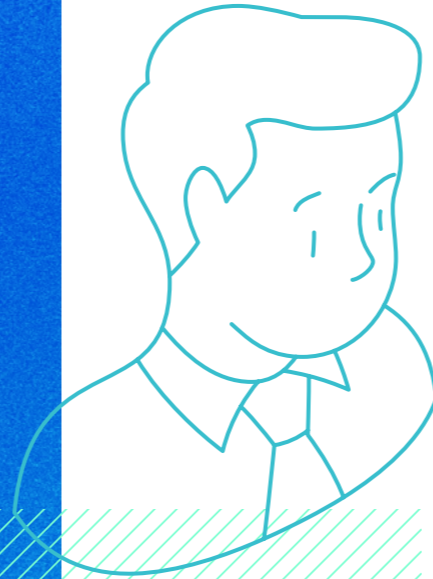
Under the theme of rethinking saving and investing, the hackathon addressed critical financial challenges and aimed to:

- Promote financial inclusion through modern tools;
- Equip young people to navigate opportunities and risks in evolving markets;
- Foster local innovation and encourage ethical, technology-driven banking solutions.

Through this collaboration, the *Fondation* reaffirmed its commitment to education as a key lever for preparing Luxembourg’s youth for the future of finance.

# 08

## ABBL Members



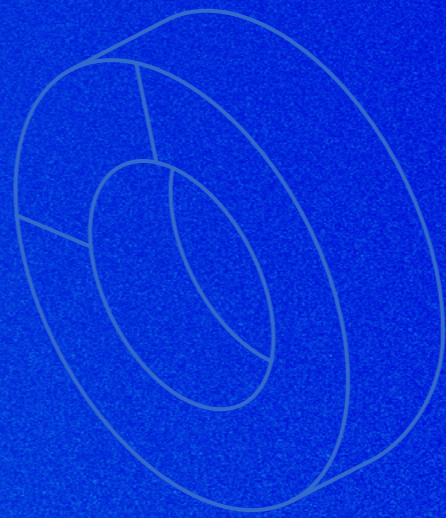
The ABBL draws strength from its diversity and works to sustain it. The ABBL membership base represents the Luxembourg banking services scene at large showcasing the richness of the financial ecosystem in Luxembourg and fostering a constructive dialogue among all stakeholders.

Members include banks, investment firms, payment and e-money institutions, virtual asset service providers, lawyers, auditors, consultants, and IT service providers.

The ABBL Member Relations team engages with financial sector stakeholders in Luxembourg and supports the onboarding of new members, ensuring their smooth integration into the local banking and financial ecosystem.

In 2025, 21 new members joined the ABBL, reaffirming the ABBL stature as the largest employers' association within the financial sector in Luxembourg, with 212 titular members and 55 related members as of 31 December 2025.

# Breakdown of Members



**95**

Category A

Category A members are credit institutions (i.e., universal banks, covered bond issuing banks and/or public banks) as provided for in Chapter 1, Part I of the Law of 5 April 1993 on the financial sector, as amended, and financial institutions or operators created by the public authority pursuant to specific laws.

**59**

Category B

Category B members are other professionals of the financial sector (PFS) and financial professionals.

**58**

Category C

Category C members are ancillary financial sector activities, i.e., providers of services for the financial sector, regardless of any regulation.

**49**

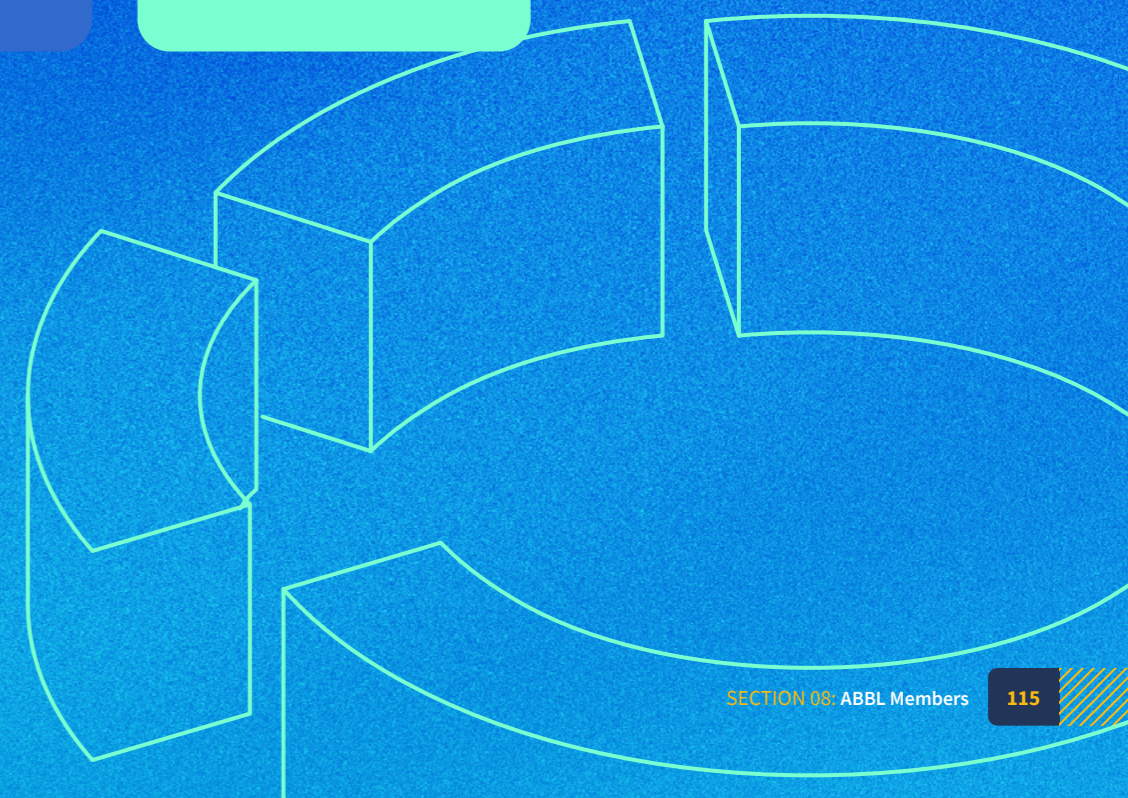
FinTech Circle associates

Specific grouping created with the objective of bringing together FinTechs with ABBL members.

**55**

Related members

Entities belonging to the same group may be classified as Related members, under the aegis of a Titular member.



# Directory of Members

(as of 31.12.2025)

## Titular Members

- 1875 Finance (Luxembourg) SA
- 2 PM Europe SA
- 3S Money (Luxembourg) SA
- Advanzia Bank SA
- Agricultural Bank of China (Luxembourg) SA
- Ailancy Luxembourg SAS
- AIQU Tax SARL
- Airbnb Payments Luxembourg SA
- Alipay (Europe) Limited SA
- Allen Overy Shearman Sterling SCS
- Allfunds Bank SAU, Luxembourg Branch
- Alpha Bank SA, Luxembourg Branch
- Alpha FX SA
- Amazon Payments Europe SCA
- AMFIE - Association coopérative financière des fonctionnaires internationaux, SC
- Andbank Luxembourg SA
- Andersen Tax SARL
- Arendt & Medernach SA
- Armundia Luxembourg SARL
- ATOZ Tax Advisers SA
- Aurexia Luxembourg SARL
- Avaloq Luxembourg SARL
- Advantage Reply (Luxembourg) SARL
- Axon Advisory & Consulting SARL
- B2C2 Europe SARL
- Baker & McKenzie Luxembourg
- BakerTilly Luxembourg Advisory SA
- Banca March SA, Luxembourg Branch
- Banco Bradesco Europa SA
- Banco Inversis SA, Luxembourg Branch
- Banco Santander (Brasil) SA, Luxembourg Branch
- Banco Votorantim SA, Luxembourg Branch
- Bank GPB International SA
- Bank Julius Baer Europe SA
- Bank of America Europe DAC, Luxembourg Branch
- Bank of China (Europe) SA
- Bank of Communications (Luxembourg) SA
- Bank Pictet & Cie (Europe) AG, succursale de Luxembourg
- Banking Circle SA
- Bankinter Luxembourg SA
- Banque de Commerce et de Placements SA, succursale de Luxembourg
- Banque de Luxembourg SA
- Banque de Patrimoines Privés SA
- Banque et Caisse d'Épargne de l'Etat, Luxembourg
- Banque Internationale à Luxembourg SA
- Banque J. Safra Sarasin (Luxembourg) SA
- Banque Populaire Alsace Lorraine Champagne SC, succursale du Luxembourg
- Banque Raiffeisen SC
- Banque Transatlantique Luxembourg SA
- Barclays Bank Ireland plc, Luxembourg Branch
- BDO Services Luxembourg SA
- Bemo Europe - Banque Privée SA
- BGL BNP Paribas SA
- BitFlyer Europe SA
- Bitstamp Europe SA
- BOS Wealth Management Europe SA
- Bourse de Luxembourg SA
- BPER Bank Luxembourg SA
- Brown Brothers Harriman (Luxembourg) SCA
- Brucher Thieltgen & Partners, Avocats à la Cour
- BTG Pactual Europe SA
- Buy Way Personal Finance SA, succursale luxembourgeoise
- CA Indosuez Wealth (Europe) SA
- CaixaBank Wealth Management Luxembourg SA
- CapitalatWork Foyer Group SA
- Castegnaro SARL
- Cecabank SA, Luxembourg Branch
- Chambre de Commerce
- China Construction Bank (Europe) SA
- China Everbright Bank (Europe) SA
- China Merchants Bank Co. LTD, Luxembourg Branch
- CIBC Capital Markets (Europe) SA
- Citco Bank Nederland NV/SA, Luxembourg Branch
- Citibank Europe PLC, Luxembourg Branch
- Clearstream Fund Centre Luxembourg SA
- Clifford Chance SCS
- CMS DeBacker Luxembourg SCS
- Colin & Cie. Luxembourg SA
- Commerzbank Finance & Covered Bond SA
- Convera Europe SA
- Coutot Roehrig Luxembourg SARL
- Creditreform Luxembourg SA
- Creutz & Partners The Art of Asset Management SA
- CVC Capital Markets SARL
- DekaBank Deutsche Girozentrale, Succursale de Luxembourg
- Delen Private Bank Luxembourg SA
- Deloitte General Services SARL
- Dentons Luxembourg SCS
- Deutsche Bank Luxembourg SA
- DLA Piper Luxembourg SARL
- DNB Luxembourg SA
- dtcpay SA
- Dynas Lux SA
- DZ PRIVATBANK AG, Niederlassung Luxemburg
- EastNets Europe SA
- eBay SARL
- Edmond de Rothschild (Europe) SA
- EFG Bank (Luxembourg) SA
- Elvinger Hoss Prussen SA
- ERI Bancaire Luxembourg SA
- Ernst & Young SA
- Escent Luxembourg SA
- Eurizon Capital SGR S.p.A. - Luxembourg Branch
- Eurobank Private Bank Luxembourg SA
- European Depositary Bank SA
- Finegan Luxembourg SA
- Finologee SA
- Forethix SARL
- FundBank (Europe) SA
- Goldman Sachs Bank Europe SE, Luxembourg Branch
- Grant Thornton Advisory SA
- GSK Stockmann SA
- Hamburg Commercial Bank AG, Luxembourg Branch
- Hauck Aufhäuser Lampe Privatbank AG, Niederlassung Luxemburg
- HSBC Continental Europe, Luxembourg SA
- i-Hub SA
- Industrial and Commercial Bank of China (Europe) SA
- ING Luxembourg SA
- International Fund Services & Asset Management SA
- Intesa Sanpaolo Bank Luxembourg SA
- Intesa Sanpaolo Wealth Management SA
- Itaú BBA Europe SA, Luxembourg Branch
- J.P. Morgan Mobility Payments Solutions SA
- J.P. Morgan SE, Luxembourg Branch
- JC Advisory SARL
- John Deere Bank SA
- K&L Gates Volckrick SARL
- Kleyr Grasso SCS
- KPMG SARL
- Kuylenstierna & Skog SA
- Leverage Consulting Luxembourg SARL
- LianLian Europe SA
- Linklaters LLP
- Lombard Odier (Europe) SA
- Loyens & Loeff Luxembourg SARL, Avocats à la Cour
- LTIMindtree PSF SA

- Luther SA
- Lux Nordic Wealth Management SA
- LuxCSD SA
- Luxhub SA
- LuxProvide SA
- LuxTrust SA
- MANZARI Legal
- MAQIT SA
- Massena Partners SA
- Mediobanca International (Luxembourg) SA
- Midas Wealth Management SA
- Mirabaud & Cie (Europe) SA
- Mitsubishi UFJ Investor Services and Banking (Luxembourg) SA
- Molitor, Avocats à la Cour SARL
- Natixis Corporate and Investment Banking Luxembourg SA
- NautaDutilh Avocats Luxembourg SARL
- Nomura Bank (Luxembourg) SA
- NORD/LB Luxembourg SA Covered Bond Bank
- Northern Trust Global Services SE
- Norton Rose Fulbright Luxembourg SCS
- Novo Banco SA, Succursale de Luxembourg
- Olky Payment Service Provider SA
- Palana SA
- Payconiq International SA
- PayPal (Europe) SARL et Cie, SCA
- PingPong Europe SA
- Pinsent Masons Luxembourg LLP
- POST Luxembourg
- PPRO Payment Services SA
- PricewaterhouseCoopers SC
- Privalux Management SA
- Private Wealth Square SARL
- Qualion Finance SA
- Quintet Private Bank (Europe) SA
- Radices Financial Services SA
- Rakuten Europe Bank SA
- RBS International Depositary Services SA
- Regnology Luxembourg SARL
- RiverBank SA

- Rothschild & Co Wealth Management Luxembourg SA
- Roupakia Law
- Royal Bank of Scotland International LTD, Luxembourg Branch (The)
- Saphir Partner SA
- Satisfay Europe SA
- SBS SA
- Schiltz & Schiltz SA
- Securities De Munter SA
- SIA Partners Luxembourg SARL
- Simmons & Simmons Luxembourg LLP
- Skandinaviska Enskilda Banken AB, Luxembourg Branch
- SMBC Nikko Bank (Luxembourg) SA
- Société Générale Luxembourg SA
- Spirit Asset Management SA
- Standard Chartered Luxembourg SA
- State Street Bank International GmbH, Zweigniederlassung Luxemburg
- Stibbe Avocats
- Sumitomo Mitsui Trust Bank (Luxembourg) SA
- Svenska Handelsbanken AB (Publ), Luxembourg Branch
- Swissquote Bank Europe SA
- The Bank of New York Mellon SA, Luxembourg Branch
- Thomson Reuters Finance SA
- UBS Europe SE, Luxembourg Branch
- UniCredit International Bank (Luxembourg) SA
- Union Bancaire Privée (Europe) SA
- Union Investment Luxembourg SA
- Unzer Luxembourg SA
- US Bank Europe Designated Activity Company, Luxembourg Branch
- Vermeg Luxembourg SA
- Victor Buck Services SA
- Victory Asset Management SA
- Vivid Money SA
- VP Bank (Luxembourg) SA
- Wallee Europe SA
- Worldline Financial Services (Europe) SA
- Wüstenrot Bausparkasse AG, Niederlassung Luxemburg
- zeb.rolfes.schierenbeck.associates GmbH

## Related Members

- Andbank Asset Management Luxembourg SA
- Arendt Regulatory and Consulting SA
- Audiex SA
- Banco Safra SA, Luxembourg Branch
- Bank of China LTD, Luxembourg Branch
- Bank of Communications Co., Limited Luxembourg Branch
- BDO Advisory SA
- BDO Audit SA
- BDO Tax & Accounting SA
- BDO Technology SA
- BHW Bausparkasse AG, Niederlassung Luxemburg
- BIL Manage Invest SA
- BLI – Banque de Luxembourg Investments SA
- BNP Paribas Asset Management Luxembourg SA
- BNP Paribas Lease Group Luxembourg SA
- BNP Paribas Leasing Solutions SA
- BNP Paribas SB Ré SA
- BNP Paribas, succursale de Luxembourg SA
- CA Indosuez Wealth (Asset Management) SA
- CACEIS Bank Luxembourg Branch SA
- CF Corporate Services SA
- CF Fund Services SA
- China Construction Bank Corporation, Luxembourg Branch SA
- China Everbright Bank Co. Ltd., Luxembourg Branch
- China Merchants Bank (Europe) SA
- Clearstream Banking SA
- Clearstream International SA
- Clearstream Services SA
- Degroof Petercam Asset Services SA
- Degroof Petercam Insurance Broker SA
- Deloitte Audit
- Deloitte LIS SARL
- Deloitte Solutions SARL
- Deloitte Tax & Consulting SARL
- Deutsche Bank AG, succursale de Luxembourg
- Edmond de Rothschild Asset Management (Luxembourg) SA
- Edmond de Rothschild Assurances et Conseils (Europe) SA
- EFG Investment (Luxembourg) SA
- EuroInformation International SA
- European Financial Group EFG (Luxembourg) SA
- Fiduciaire Générale de Luxembourg SA
- Fund Channel SA
- Global Funds Management SA
- Global General Partner SA
- HSBC Private Bank (Luxembourg) SA
- ING Lease Luxembourg SA
- ING Solutions Investment Management SA
- KPMG Audit SARL
- KPMG Services SARL
- KPMG Tax and Advisory SARL
- Kredietrust Luxembourg SA
- RBS International Depositary Services SA
- SEB Funds AB, Luxembourg Branch
- Société Générale Capital Market Finance SA
- Société Générale Financing and Distribution
- Société Luxembourgeoise de Leasing BIL-Lease SA

## Interview Sarah Odru – Head of Member Relations

What are the main advantages of being part of the ABBL network?

Being part of the ABBL means being connected to the core of Luxembourg's financial ecosystem. It gives our members access to a strong and vibrant network bringing together banks, fintechs, payment institutions and financial service providers.

What makes the difference is the quality of interactions. Members don't just meet: they exchange and collaborate. The trusted environment of the association really facilitates open discussions and long-term partnerships.

Our high-quality events, conferences and industry forums are also a key part of the value we provide. They allow members to engage directly with regulators, policymakers, industry leaders and innovators, helping them anticipate trends and actively contribute to shaping the future of financial services.

How does ABBL support its members in staying ahead of industry developments?

Our priority is to make sure our members have access to clear, relevant and practical information. From regulatory developments and European policy updates to market intelligence and strategic insights, we help our members navigate an increasingly complex environment.

Training is also essential. Through our partnership with the House of Training, members have access to high-level training programmes designed to support reskilling and upskilling in a fast-changing sector shaped by digitalisation, sustainability and new regulatory requirements.

On top of that, our specialised working groups allow members to collaborate directly on key industry challenges, whether related to regulation, innovation, ESG or operational topics, ensuring they remain agile and prepared for future transformations.

What impact can members have within the association and how does it support their long-term growth?

ABBL membership gives institutions a real voice in shaping the regulatory and strategic landscape of the financial sector. Members actively contribute to consultations, position papers and policy discussions at both national and European level.

Being part of the ABBL also strengthens a company's positioning within the market. It demonstrates a commitment to high standards, responsible finance, innovation and sector-wide collaboration.

Through its advocacy work, its support to innovation, including fintech and digital transformation, and its role as a bridge between the private sector and public authorities, the ABBL helps create the right conditions for sustainable growth.

Ultimately, ABBL's mission is to foster collaboration, strengthen competitiveness and support the long-term resilience of Luxembourg's financial centre. By empowering members to stay informed, connected and influential, we help them succeed in an increasingly dynamic and competitive global environment.



**Sarah Odru**  
Head of Member Relations, ABBL

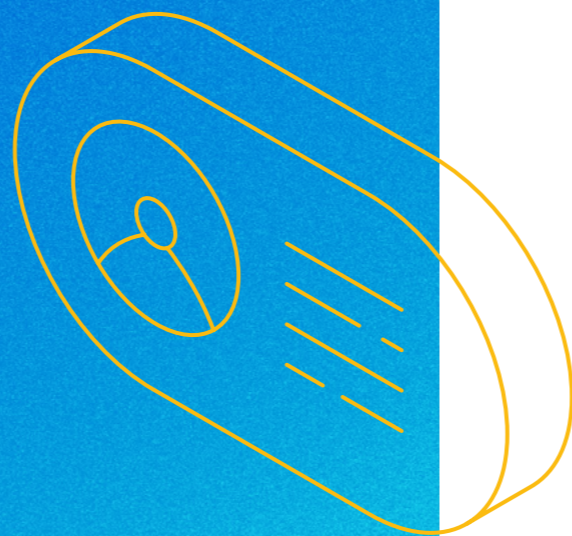
# Interested in becoming an ABBL Member?

Contact our Member Relations team:  
[member-relations@abbl.lu](mailto:member-relations@abbl.lu)



# 09

## About the ABBL



## Who we are

The ABBL's vision is to contribute to a **Luxembourg financial centre** that is **at the heart of Europe** and makes a lasting contribution to the **competitiveness of businesses** and the **prosperity of its citizens**.

To achieve this **we promote, for and on behalf of our members, the sustainable development of regulated, innovative and responsible financial services**.

Building on this mission statement, we focus on the following **key actions**:

- **Collaborate** with the financial sector and **advocate** for measures that enhance its attractiveness and competitiveness.
- Serve as a trusted **source of expertise** for our members.
- Act as a platform for **exchanging best practices**, fostering a shared understanding of industry challenges and regulatory frameworks.
- **Represent our members in sectoral social dialogue** within Luxembourg's banking sector.
- **Promote financial education** to empower citizens as informed and responsible financial actors.

Established in **1939**, the ABBL is today **the oldest and largest professional association in the financial sector**, representing most banking institutions as well as regulated financial intermediaries and other professionals in Luxembourg, including law firms, consultancies, auditors, market infrastructures, electronic money and payment institutions.

This makes us truly **representative of the diversity of the Luxembourg banking centre**, placing us in a unique position, able to give the entire sector a voice at both national and international level and to fulfil our ambition of being a **driving force in the financial centre, a think tank and a leader of opinion on today's issues and tomorrow's trends**.

**We are also part of a much larger ecosystem**, and work closely with partner associations in the wider economic environment, as well as national and international bodies and committees, including the Luxembourg Government, the CSSF, the BCL, the UEL, PROFIL, LFF, the *Conseil Economique et Social* (CES), the EBF and the EPC.

To ensure close monitoring of EU regulatory developments, and to support the sectors' EU advocacy efforts, we have a **Representative Office in Brussels**, where our European Affairs team closely follows regulatory developments, facilitates the interactions with policymakers and represents the interests of ABBL Members in Brussels.

# Governance

The ABBL is a non-profit association governed by the Luxembourg legal provisions applicable to non-profit associations and foundations. In 2024, the ABBL's Articles of Association were updated to ensure compliance with the new law of 7 August 2023 on non-profit associations and foundations.

The members of the Association commit to abide by the Code of Conduct of the Association, as adopted by the General Meeting.

## General Meeting

The General Meeting comprises all members. It meets as often as the interests of the Association require. It is presided by the Chairperson of the Association.

The General Meeting elects the members of the Board of Directors, the Chairperson and the Vice-Chairperson of the Association, approves the annual budget, appoints the external auditor, reviews the annual accounts and approves the latter. It ratifies the results of negotiations of collective bargaining agreements.

Each full member has a number of votes proportional to the contributions due for the current year.

## Board of Directors

The Board of Directors manages the affairs of the Association and represents it in all judicial and extrajudicial acts.

It is chaired by the Chairman of the Association or, in his absence, by the Vice-Chairman.

The Board of Directors takes its decisions in accordance with the rules laid down in the internal regulations.



## Board of Directors Status as of 1 April 2026

<b>STEIN Yves</b> Edmond de Rothschild (Europe) Chairman		<b>HOFFMANN Guy</b> Banque Raiffeisen Vice-chairman	
<b>FISCHER Falk</b> Bank Julius Baer Europe SA	<b>QI Wenqing</b> Bank of China (Europe) SA	<b>FERNANDEZ-RUBIES Carlos</b> Banque de Patrimoines Privés SA	<b>HIRTZIG Claude</b> Banque et Caisse d'Épargne de l'État, Luxembourg (observer)
<b>THOMA Françoise</b> Banque et Caisse d'Épargne de l'État, Luxembourg	<b>DENTZER Jeffrey</b> Banque Internationale à Luxembourg SA	<b>OTTON Nicolas</b> BGL BNP Paribas SA	<b>CARCY Olivier</b> CA Indosuez Wealth (Europe) SA
<b>BOL Brenda</b> Cecabank SA, Luxembourg Branch	<b>SEYLL Philippe</b> Clearstream Fund Centre Luxembourg SA	<b>GANSÄUER Tobias</b> DekaBank Deutsche Girozentrale, Succ. de Luxembourg	<b>ZAPF Daniel</b> Deutsche Bank Luxembourg SA
<b>VIGNOLI Emanuele</b> HSBC Continental Europe, Luxembourg SA	<b>SURDON Frédéric</b> Société Générale Luxembourg SA	<b>SPARVELL Dave</b> Swissquote Bank Europe SA	<b>DELVAUX Didier</b> US Bank Europe Designated Activity Company, Lux. Branch
<b>MEYER Glenn</b> Arendt & Medernach SA	<b>BECKER Julie</b> Bourse de Luxembourg SA	<b>LAUER Marc</b> Chambre de Commerce	<b>ALEXANDRE Claire</b> PayPal (Europe) SARL et Cie, SCA

# Management Board

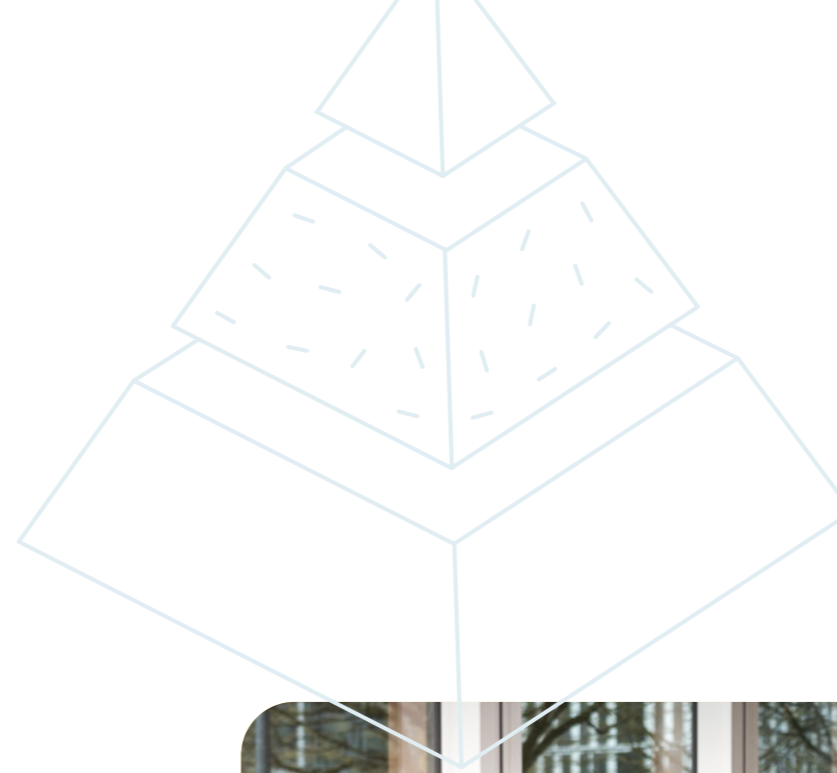
The Management Board is responsible for the internal management of the Association, the preparation of the meetings of the General Meeting and of the Board of Directors, and implements their decisions.

It is presided by the Chief Executive Officer (CEO).

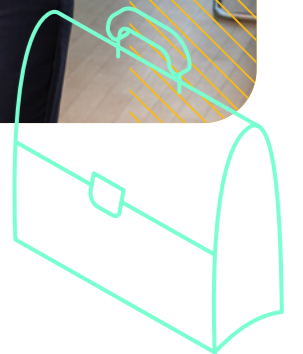
The members of the Management Board are appointed and removed by the Board of Directors pursuant to the provisions of the internal rules of procedure.

In accordance with the internal rules of procedure, the Management Board is responsible for managing the staff employed by the Association, organising internal bodies such as committees, working groups and groups of members, and communicating with members and third parties.

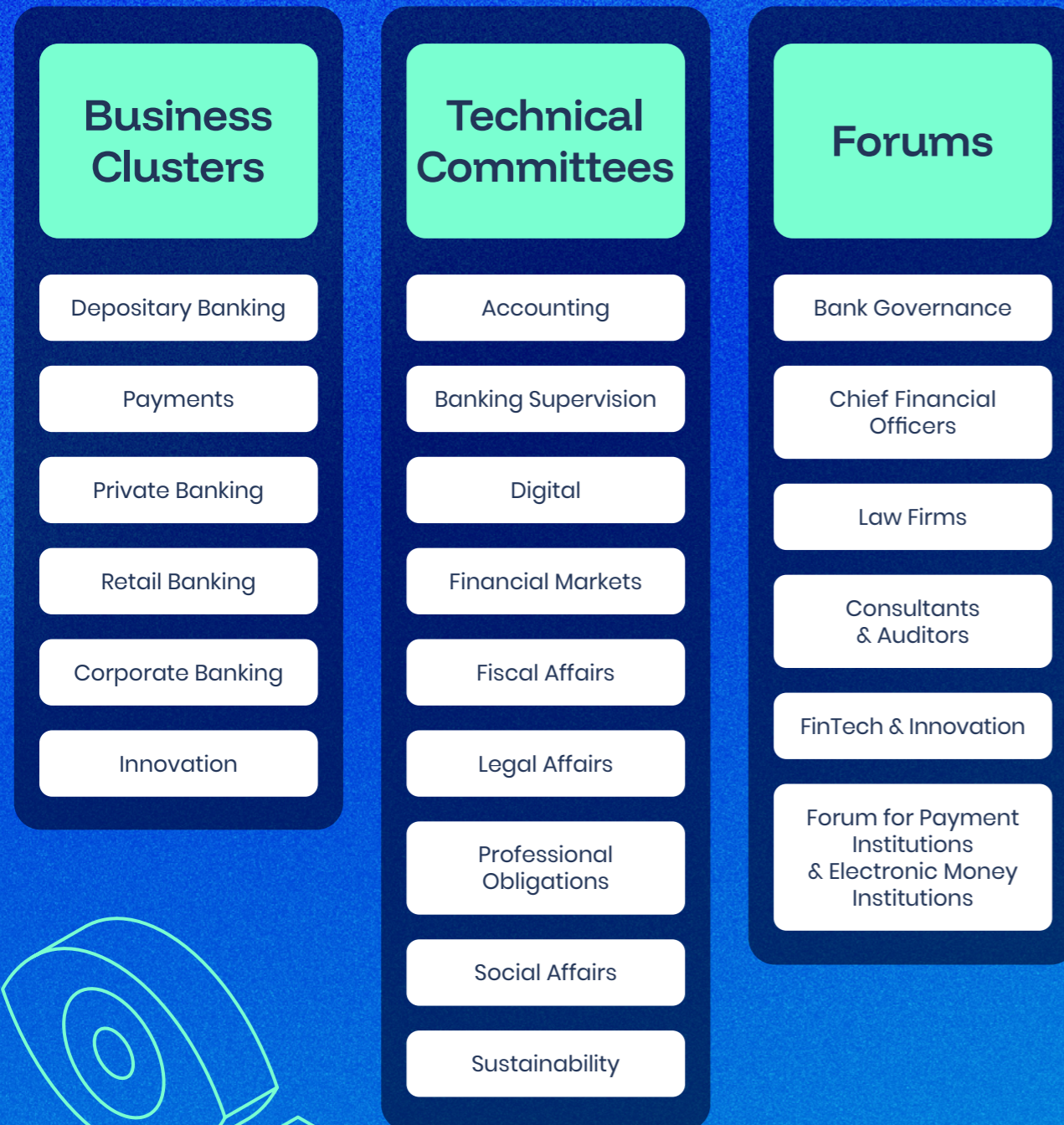
The responsibility of the members of the Management Board in their day-to-day management activities is determined in accordance with the general rules of the mandate.



The ABL Management Board from left to right:  
Ananda Kautz, Member; Jerry Grbic, CEO; Sandrine Roux; Secretary General.



# Organisation



## Working Groups

Working Group (WG)  
Task Force (TF)

### Depository Banking

Depository Practices UCITS – WG  
Look-through & Control – WG

### Payments

CESOP – TF  
Instant Payments – TF  
PSD3/PSR – TF  
European Payments Initiative – TF  
LuxTrust Services – TF  
Payment Standards – TF

### Private Banking

External Asset Managers – WG  
Investment Firms – WG  
ABBL/ACA- task force on Private Equity – TF  
External Asset Managers /Investment Firms – TF

### Retail Banking

Accessibility requirements for products & services – WG  
Mortgage & Consumer Credits – WG  
Retail Banking Survey – WG  
Financial Education and Inclusion – WG  
Physical Security – WG  
Affordable Housing – TF  
Pre-filled tax return – TF

### Corporate Banking

Statistics & Market Intelligence – WG

### Banking Supervision

Banking Recovery and Resolution Directive – WG  
Credit Risk – WG  
Third party risk management – WG  
CRDVI Implementation for TCB – WG  
Operational Risk – WG  
Review of the Long Form Report – TF  
CRD6 transposition for Brazilian TCBs – (TF)  
Saving and Investment SIU – TF

### Financial Markets

Advisory & Investment Services – WG  
Capital Markets Funding & Securitisation – WG  
Trading – Sub-WG  
Human Resources Taxation – WG  
Tax Reporting Standards – WG  
MIFID Guidelines – Investor Protection – TF

### Legal Affairs

Archiving – WG  
Inactive Accounts – WG  
Jewish Assets – WG  
Data Protection – WG  
Insolvency – WG  
Modernisation BGA Law – TF  
Luxembourg LMA Facility Agreement – TF  
Rechargeable mortgage – TF

### Digitalisation

Artificial Intelligence – WG  
Tokenisation and Distributed Ledger Technology – WG  
Trust and Cybersecurity – WG  
Digital Euro – TF  
DORA Assessment – TF  
DORA Mutualisation – TF  
e-ID – TF  
FIDA: Financial Information Data Access Regulation – TF  
Green ICT Adoption – TF  
Online Fraud – TF

### Professional Obligations

AML/CFT Handbook – WG  
Private Banking Expert Gr. (in collab. with the CSSF/FIU) – WG  
Sanctions Regime – WG  
Compliance Expert Gr. (in collab. with the CSSF/FIU) – WG  
Reporting obligations with CRF – WG  
KYC and bank account opening – TF

### Social Affairs

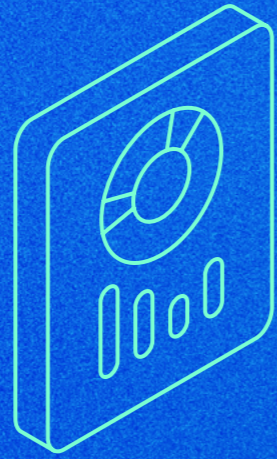
Diversity, Equity & Inclusion – WG  
Study of the Social Situation of the Banking Sector – WG  
EU Pay Transparency Directive – TF  
Talent Attraction and Retention – TF

### Sustainability

Corporate Sustainability – WG  
ESG Risk – TF  
ESG Data Utility – TF  
Green Mortgage Loans – TF

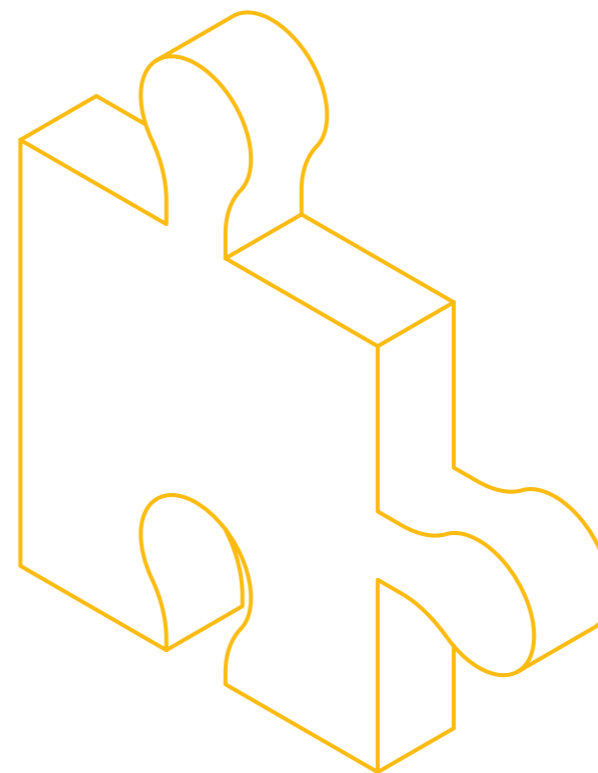
### SPECIAL WORKING GROUPS & OTHERS

Attractiveness of the Luxembourg financial centre  
SEPA – WG



# The ABBL Team

In addition to some 3,000 banking professionals who are involved in the ABBL's committees, clusters, working groups and other forums, we have a highly committed team of **36 employees**.



# Our Team in Numbers



At the ABBL, we believe that our talents are the cornerstone of our success. To fulfil the ABBL's mission, knowledge, technical skills and expertise are our most important assets. Therefore, in order to carry out their day-to-day activities, it is essential that our staff feel valued, respected and supported.



# Our Employment Practices

As a co-founder of the Women in Finance Charter and a member of IMS (Inspiring More Sustainability), our recruitment policy is firmly based on the principles of diversity, gender equality and inclusion. We are proud to report that our headline target of percentage of women in the senior management under the Women in Finance Charter of 40% has not only been met but surpassed.

Our team members' remuneration is based on the salary grids defined by the banking sector's collective bargaining agreement (CBA) which safeguards equal compensation between genders. We also apply the principles of the CBA in determining the compensation of our executive staff.



# Professional Development

At the ABBL, we attach particular importance to training and skills development. Each year, we allocate a dedicated training budget to our staff based on the needs they have identified with their managers during their annual performance review. Our HR department maintains an age pyramid to anticipate employee retirements and thus facilitate the transfer of knowledge and skills.



**Anda Asaftei**

Adviser - Banking and Business Intelligence, ABBL



**Chloé Farouault**

Head of Accounting & Finance, ABBL



**David De Oliveira**

Adviser, Information Technology, ABBL



**Cédric Fonseca**

Officer, Information Technology, ABBL



**Laurence D'Haeyere**

Senior Communication Specialist, ABBL



**Elisângela Furtado**

Accountant, ABBL



**Irdelle Lagnide**

Corporate Governance Officer, ABBL



**Paul Ighodalo**

Head of Information Technology, ABBL



**Hélène Lange**

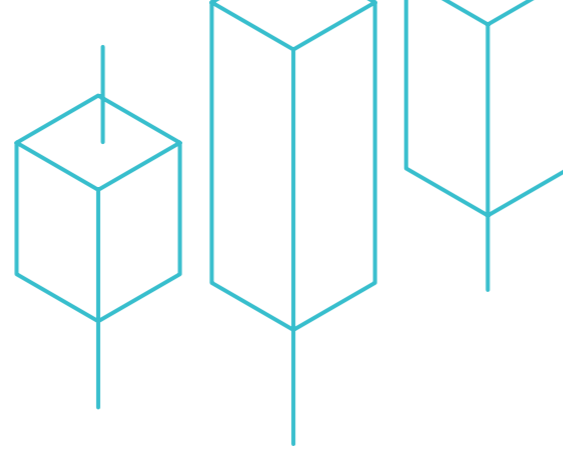
Head of Business Coordination, ABBL



**Sophie Poekes**

Assistant, ABBL





**Annick Rollinger**

Assistant, ABBL



**Piero Ruscitti**

Supervisor, Facilities Management, ABBL



**Perrine Schuler**

Office Manager Secretary, ABBL



**Paul Wilwertz**

Head of Communication, ABBL

# Our Values

Our four values define the way we interact within the ABBL and with our stakeholders. Values are associated with behaviours that we wish to promote. The repetition of these behaviours results in practices. And the various practices put together define our corporate culture.

## Expertise

Drawing on our skills and experience, and with a passion for the financial sector, we aim to provide the best possible advice, information and support to our partners, members and colleagues.

## Responsibility

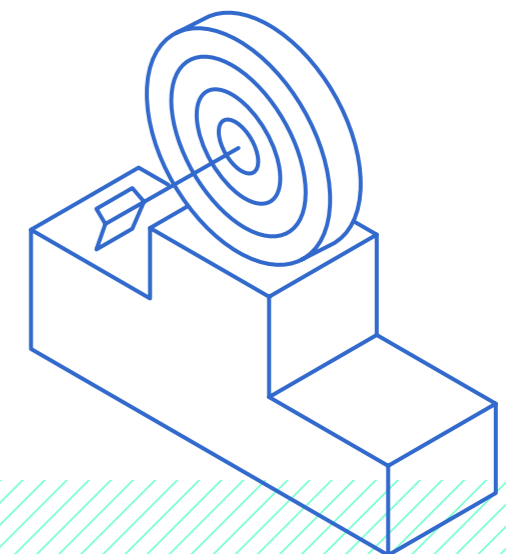
Fully committed to our mission, we are proud to be a trusted partner of the financial sector in Luxembourg.

## Team spirit

We are all on board, with the common goal of fulfilling our mission together: each with his or her own strengths, skills and experience, we form a solid, reliable team and cooperate effectively.

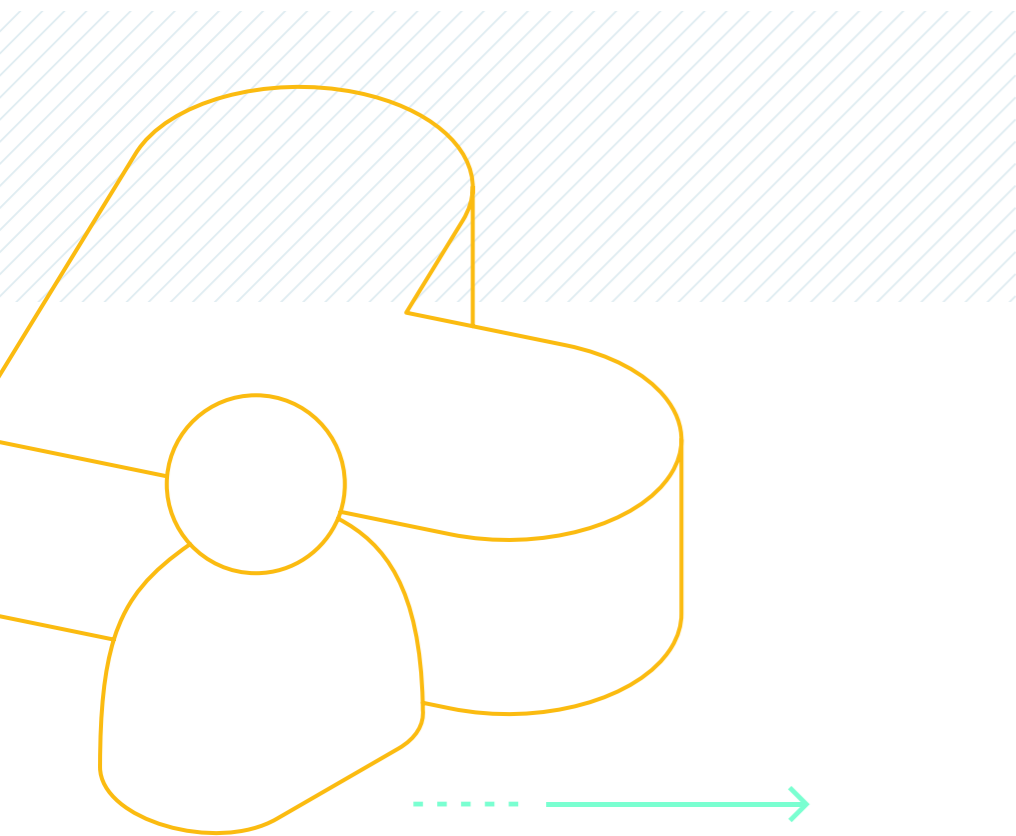
## Agility

We are all well aware of the current challenges of our dynamic, constantly changing environment: we listen to everyone's priorities and adapt in a spirit of proactivity.



Missing on the pictures: Jessica Thyron, Adviser, Financial Education

# HR Leadership Award – Trust, Skills and People at the Heart of ABBL



## An interview with Myriam Sibenaler, Head of Human Resources

In 2025, the ABBL was proud to see its Head of Human Resources, **Myriam Sibenaler**, recognised as **HR Leader of the Year** in the Institutional category. This competition, organised by Paperjam is entirely peer-based and brings together more than 420 HR professionals who nominate and vote for leaders they believe best embody strategic vision, human impact and innovation in people management.

For the financial sector, where talent, skills and organisational resilience are key to long-term competitiveness, this recognition highlights the growing strategic role of HR leadership.

**Trust seems to be a recurring theme in your approach to HR leadership. Why is it so central?**

Trust is the key to an HR director's impact. It starts with open-mindedness: accepting that you don't know everything, listening without judgement and taking the time to understand people and organisational dynamics. Trust is built through transparency, consistency and sincerity. When employees feel safe to express themselves, situations can be addressed constructively and collaboration becomes much more effective. An HR head who inspires confidence quickly becomes a trusted point of contact for both employees and managers.

**If you could change one rule to improve working life in Luxembourg, what would it be?**

I would start by modernising rules that no longer reflect today's realities, particularly those that make flexible work organisation unnecessarily complex. Work in the banking sector has changed significantly due to digitalisation and new ways of collaborating. The legal framework should evolve accordingly, striking a better balance between operational needs and employees' expectations.

**What decision could most transform HR practices in 2026?**

Focusing recruitment more on skills, potential and human qualities, rather than primarily on academic pathways. Valuing curiosity, adaptability and the ability to learn widens the talent pool and supports long-term retention. It also allows organisations to design more meaningful, tailor-made development paths aligned with real business needs.

**Myriam Sibenaler**  
Head of Human Resources, ABBL



## Contact

Association des Banques et Banquiers,  
Luxembourg

12, Rue Erasme

L-1468 Luxembourg

+352 46 36 60 - 1

[mail@abbl.lu](mailto:mail@abbl.lu)

Unless otherwise stated, the information in this report is presented as at 31.03.2026.