Corporate & Institutional Banking Survey 2025 - Cementing Luxembourg’s strategic positioning for Europe’s financial futur



Corporate and institutional banking in Luxembourg recorded solid results in 2024, with sector revenues reaching €6.5 bn and net profits amounting to €2.8 bn. These results, detailed in the newly released Corporate & Institutional Banking Survey 2025 by PwC Luxembourg and Association des Banques et Banqueters Luxembourg (ABBL), underline the sector’s remarkable resilience and positions the sector on a solid footing to help meet the economic challenges facing our continent.

Luxembourg’s corporate banks play a pivotal role as Europe navigates a decade marked by geopolitical uncertainty, energy insecurity, and climate urgency by supporting international corporates, funds, and institutional clients, by facilitating complex cross-border financing, supporting international investments, diversifying lending and treasury services, and providing sustainable finance solutions. The banks daily work help finance projects in renewable energy, sustainable infrastructure, and technological innovation, while supporting clients in strengthening supply chains and adapting to new environmental standards.

ABBL and PwC Luxembourg third edition of the Corporate and Institutional Banking Survey offers comprehensive insights into a sector that remains a cornerstone of Luxembourg's financial centre.

The Luxembourg corporate banking sector continues to demonstrate remarkable strength and adaptability, solidifying its role at the heart of Europe's financial landscape. Luxembourg's banks excel at leveraging the country's regulatory stability, multilingual expertise, and technological sophistication to deliver reliable, high-value services. Its achievements reflect not only the sector's agility and capacity to transform challenges into opportunities, but also the enduring trust of clients worldwide.

Executive summary

- **Sustained expansion of corporate banking revenues**

Corporate banking revenues experienced robust growth for three years in a row, reaching a new peak of €6.5bn in 2024. This expansion was driven both by higher interest rates and growing demand for financing and treasury services.

- **Interest income gains prominence**

Interest-driven earnings have become increasingly significant, with their share rising from 72% in 2022 to 82% in 2024, a direct result of global monetary tightening and inflationary pressures. However, corporate banking players are increasingly aiming to diversify their income streams by shifting towards fee-based models.

- **Treasury services take the lead in revenue generation, followed by syndicated and bilateral loans**

Treasury-related activities have overtaken syndicated lending as the top contributor to revenues, reflecting a major shift in product mix and client demand. In 2024, revenues from treasury services reached €1.8bn and made up 29% of corporate banking revenues, followed by €1.6bn (26%) from syndicated loans and €1.2bn (18%) for bilateral loans.

- **Net profits bounce back strongly**

After a challenging 2022, net profits surged in 2023 and set a new record in 2024, reaching €2.8bn. This growth highlights the sector's ability to recover and adapt to changing market conditions.

- **Building in-house talent and capabilities**

Luxembourg corporate banking players tend to retain core functions (e.g., strategic, regulatory, compliance, risk, audit) in-house, outsourcing IT to attract financial expertise, manage costs, and

bridge skills gaps. Strengthening employees' digital and ESG capabilities is essential to long-term competitiveness and efficiency, as is the pragmatic use of AI and process automation.

- **Sustainable finance on the rise**

Corporate banking activities linked to ESG criteria are very prevalent. Over three-quarters (76%) of banks offer sustainability-linked loans, while 62% offer environmental or climate-related corporate loans and 45% offer preferential conditions on ESG-related corporate banking products. Moreover, sustainability is increasingly reflected in corporate lending, with the average percentage of the corporate lending portfolio having some ESG criteria increasing from 11.9% in 2023 to 14.7% in 2024. Given that decarbonisation and sustainability remain a key policy priority of the European Commission (e.g., it is one of the three pillars of the Competitiveness Compass), this trend is expected to continue in the coming years.

To remain competitive, the focus must remain on attracting, training, and retaining skilled professionals who can deliver specialised expertise and drive Luxembourg's financial centre forward in an evolving landscape.

Dr. Daniel Zapf Chairman, ABBL Corporate and Institutional Banking Cluster; CEO – Deutsche Bank Luxembourg S.A.

"Luxembourg's corporate banks' success is no accident. It is rooted in Luxembourg's unique combination of stability, innovation, and international connectivity. But the real test lies ahead as Europe is entering a decisive decade. Against a backdrop of geopolitical uncertainty, energy insecurity, and climate urgency, the task before us is clear: to contribute to build a more secure, more digital, and greener economy."

Hélène Lange, Head of Business Coordination – ABBL

"Luxembourg's corporate banking sector still flies too often under the international radar. The industry's expertise in cross-border finance, sustainable lending, and risk management is world-class — but the world doesn't always know it. That is why the ABBL is intensifying its international outreach through missions, partnerships and teaming up with PwC to publish a pitchbook to promote Luxembourg's corporate banking expertise and its role in Europe's financial evolution."

Julie Batsch, Assurance Partner, Banking & Capital Markets Leader –PwC Luxembourg

"The corporate banking landscape in Luxembourg faces a promising yet demanding outlook. As interest rates stabilise, margin compression will test institutions' ability to maintain profitability through operational efficiency, diversified revenue streams, and deeper client engagement. The emergence of private credit as a complementary financing channel, growing opportunities in

emerging markets, and the evolution toward integrated advisory services all represent pathways for continued development."

Ryan Davis Advisory Partner – PwC Luxembourg

"Looking ahead, various corporate banking players in Luxembourg expect that new entrants from major emerging markets – such as China, Brazil, Mexico and India – will set up shop in the Grand Duchy, using it as a platform to service clients from their home countries and other regions. This will further help position Luxembourg's corporate banking sector to seize opportunities in the next phase of global economic growth."

This year's survey offers a wealth of insights into structural resilience, client trends, assets under management, lending activities, and the evolution of talent. For a comprehensive analysis and detailed findings, readers are invited to download the full Corporate & Institutional Banking Survey 2025.