



GRAND DUCHY OF LUXEMBOURG

EUR 2.5bn 2.900% 10-year (Sep-35) Benchmark

PRESS RELEASE – Wednesday 10th September 2025

Transaction Terms

Issuer	Grand Duchy of Luxembourg
Rating	Aaa / AAA / AAA (all stable)
ISIN	LU3182454440
Size	EUR 2.5bn
Pricing Date	10 September 2025
Settlement Date	17 September 2025 (T+5)
Maturity Date	17 September 2035 (10 year)
Coupon	2.900%
Spread to Mid-Swaps	+30 bps
Re-offer Yield	2.935%
Re-offer Price	99.700%
Spread vs Bunds	+26.8bps (vs. DBR 2.600% 08/15/35)
Lead Managers	BofA Securities, BCEE, Crédit Agricole CIB, Deutsche Bank and Societe Generale

Transaction Summary

- On Wednesday, 10 September 2025, the Grand Duchy of Luxembourg – rated Aaa/AAA/AAA (all stable) successfully returned to the Euro debt capital markets for the first time in 2025 with a new €2.5 billion 10-year benchmark. The transaction priced at a final spread of +26.8 bps over the 2.600% reference Bund due August 2035, equivalent to a final yield of 2.935% and a reoffer price of 99.700%.
- Strategically, the new 10-year bond fills a natural gap in the Luxembourg government bond ("LGB") curve, providing a new liquid, current coupon 10-year reference.
- Once again, the Grand Duchy effectively leveraged its exceptional macroeconomic fundamentals and fiscal discipline to achieve a successful outcome despite recent market volatility. Luxembourg's Debt-to-GDP ratio of 26.3% (2024) remains substantially below the Euro area average, underscoring the sovereign's resilience amid global geopolitical uncertainties.
- The transaction generated robust investor reception with a total of over 230 orders in the final orderbook. Final demand exceeded €18 billion, representing the largest single-tranche orderbook ever achieved by the Grand Duchy of Luxembourg. The composition of the investor base reaffirms Luxembourg's status as a safe-haven asset and its continued appeal among high-quality accounts.
- The exceptional quality and diversification of the orderbook enabled the issuer to tighten the spread by 5bps from initial guidance to reoffer, pricing with no new issue premium.
- Joint Lead Managers for the transaction were BofA Securities, BCEE, Crédit Agricole CIB, Deutsche Bank and Société Générale.

Pricing and Execution

- The mandate of the new Grand Duchy of Luxembourg benchmark transaction was officially announced on Tuesday 9th September 2025 at 13:49 CET.



- On Wednesday 10th September 2025, following constructive feedback overnight, books officially opened at 9:10 CET with initial guidance at MS+35bps area.
- With the high-quality orderbook accelerating in excess of €14bn (excluding JLM interest) in one hour, the first update was released at 10:16 CET revising guidance to MS+32bps area.
- The momentum continued to build and at 11:29 CET, the high-quality demand enabled the spread to further tighten another 2bps and set at MS+30bps. The size was also set at the same time at €2.5bn. It was announced concurrently that books would close at 12:00 CET.
- At 13:40 CET, the transaction was officially launched with orderbooks closing in excess of €18 billion (excluding JLM interest) which represents the largest ever single-tranche orderbook for the Grand Duchy of Luxembourg.
- The transaction was officially priced at 14:17 CET with a coupon of 2.900% and a spread of +26.8bps over the reference Bund, equivalent to a reoffer yield of 2.935%.

Distribution Summary

- The transaction attracted a diverse investor demand from domestic and international accounts with over 230 orders in the book. In terms of distribution, the 10-year transaction received strong interest from Bank Treasuries (40%), Asset Managers (25%), Insurance and Pension funds (18%), Central Banks/Official Institutions (15%) and others (2%).
- Geographically, the transaction was well diversified with France (17%), UK/Ireland (16%), Luxembourg (14%), Belgium/Netherlands (11%), Nordics (10%), Switzerland (8%), Germany/Austria (9%), Iberia (9%), Italy (3%) and others (3%).

EUR 10-Year Benchmark

