

Grand-Duchy of Luxembourg

Investor Presentation

March 2026



THE GOVERNMENT
OF THE GRAND DUCHY OF LUXEMBOURG
Luxembourg State Treasury



Key Investment Highlights

- **AAA sovereign rating**, underpinned by strong public finances, high income per capita, sound governance, and flexible economic policies.
- **Stable political environment**
- **Leading international financial centre**
- **Diversified and highly open economy**
- **Strong economic indicators and positive growth trajectory**





Funding Plan Executed in 2025

- In May 2025, Luxembourg State Treasury issued two treasury notes for a total amount of EUR 500 million with a 6-months maturity.

Issuer	Grand Duchy of Luxembourg
Type	2 Treasury Certificates Senior, Unsecured
Issue Size	EUR 100 and 400 Mio
Maturity	6 months
Yield	2,00% and 2,03%
Form of the treasury certificate	Bearer form

- In June 2025, Luxembourg State Treasury issued digital notes for a total amount of EUR 50 million with a 6-months maturity.

Type	Digital Treasury Certificate Senior, Unsecured
Ratings	Moody's (P1)
Issue Size	EUR 50 Mio
Maturity	6 months
Form of the treasury certificate	Dematerialized form

- In September 2025, Luxembourg State Treasury issued an LGB for a total amount of EUR 2.5 billion with a 10-year maturity.

Issuer	Grand Duchy of Luxembourg
Type	Luxembourg Government Bond (LGB) RegS Bearer, Senior, Unsecured
Ratings	Aaa/AAA/AAA (all stable) (Moody's/S&P/Fitch)
Issue Size	EUR 2.5 billion
Maturity	10 years
Documentation	Standalone LGB



Funding Plan Expected in 2026

Issuer	Grand Duchy of Luxembourg
Type	Luxembourg Government Bond (LGB) RegS Bearer, Senior, Unsecured
Ratings	Aaa/AAA/AAA (all stable) (Moody's/S&P/Fitch)
Expected Size	EUR Benchmark
Maturity	10 to 20 years
Documentation	Standalone LGB
Expected number of issuances	- one in Q1 2026 - one to two including Distributed Ledger Technology (DLT) in Q4 2026
Total amount to be issued	EUR 3 to 6 billion



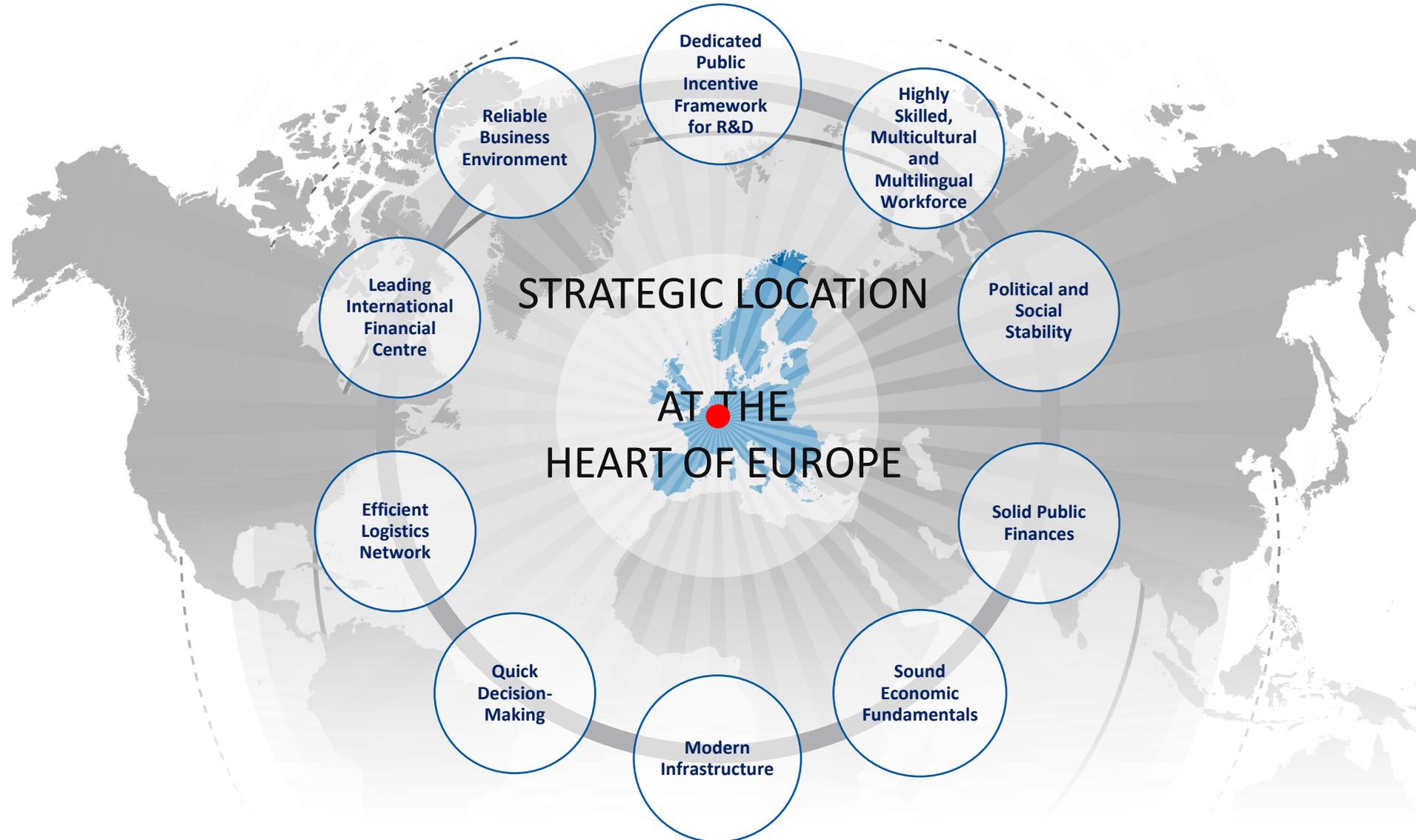
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1. Luxembourg at a Glance



Luxembourg in a Nutshell





Stable Political Environment

- Luxembourg benefits from a **high degree of political stability, which ensures consistency in policy-making.**
- The country's political institutions, including the monarchy, parliament, and government, provide a **consistent and reliable governance structure.**
- Since the October 2023 elections, the current government in Luxembourg is formed by a **centre-right coalition** between the Christian Social People's Party (CSV) and the Democratic Party (DP).
- Regular interactions with the social partners ensure a **high level of social cohesion.**
- As a **founding member of the European Union**, Luxembourg's political environment is closely aligned with the EU policies.



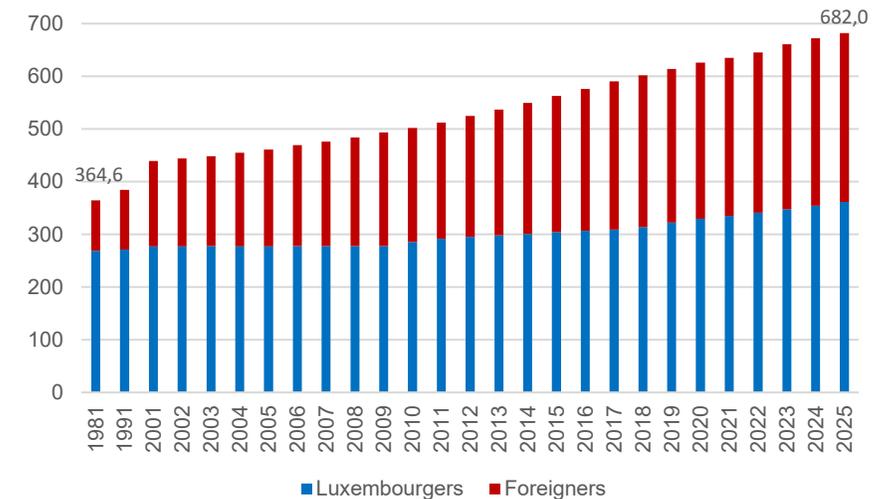
2. Luxembourg's Key Economic Figures



Growing and Multicultural Population

- Luxembourg's **population has almost doubled** since the 1980s, driven by a strong immigration.
- **Foreign nationals represent 47% of the population**, which are mainly Portuguese (13.1% of the population), French (7.2%), Italian (3.7%), Belgian (2.7%) and German (1.8%).
- Over the last decade the population has grown by an average of 1.9% per year with a positive net migration of 10,400 people per year.
- 69.1% of the population is aged between 15 and 64.
- Luxembourg is a multilingual country with most Luxembourgers speaking four languages (French, German, English and Luxembourgish).

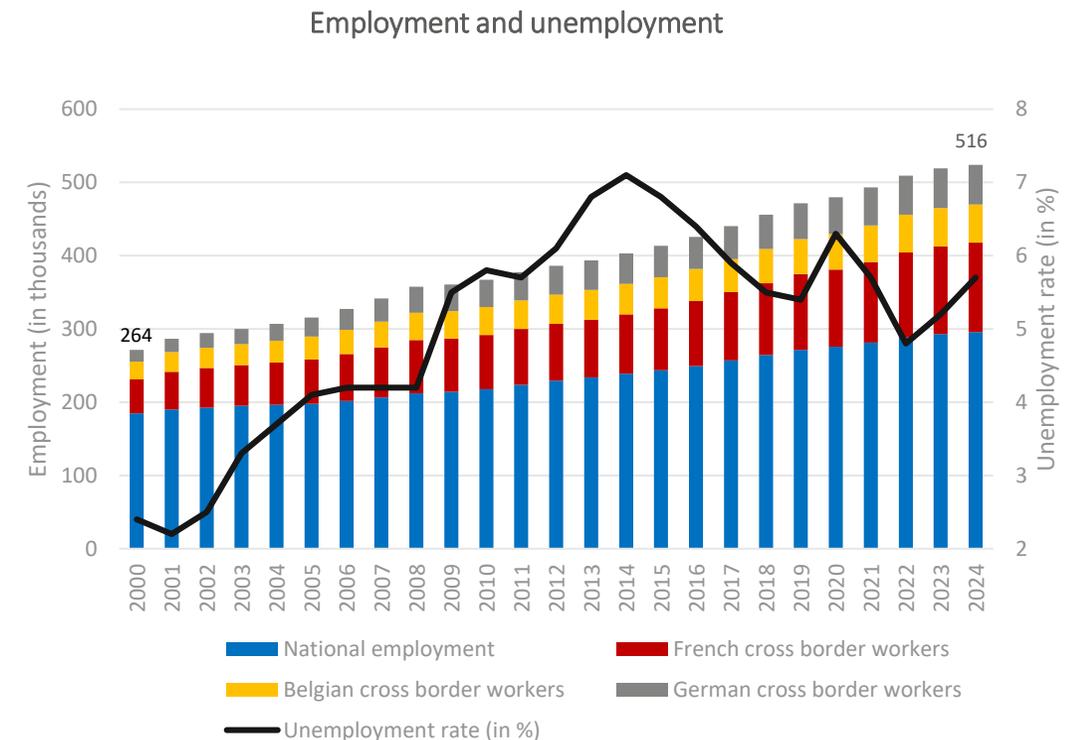
Evolution and composition of the population (in thousands)





International and Highly Qualified Workforce

- The country attracts **an international workforce** thanks to its strong economy and favourable working conditions.
- **Cross-border workers** coming from France, Germany and Belgium account for **45.6% of the workforce**.
- **Professional, scientific and technical activities** as well as the **financial and insurance sector** are among the highest employment sectors, accounting for 11.0% and 10.7% of domestic employment, respectively.

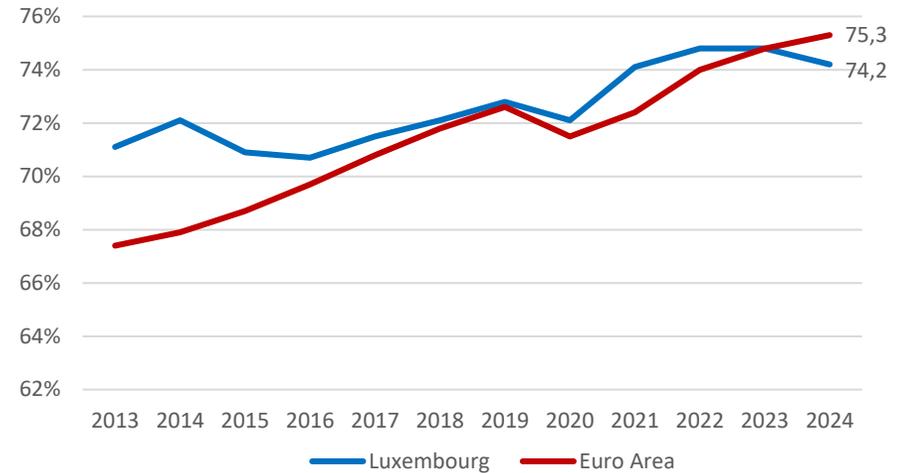




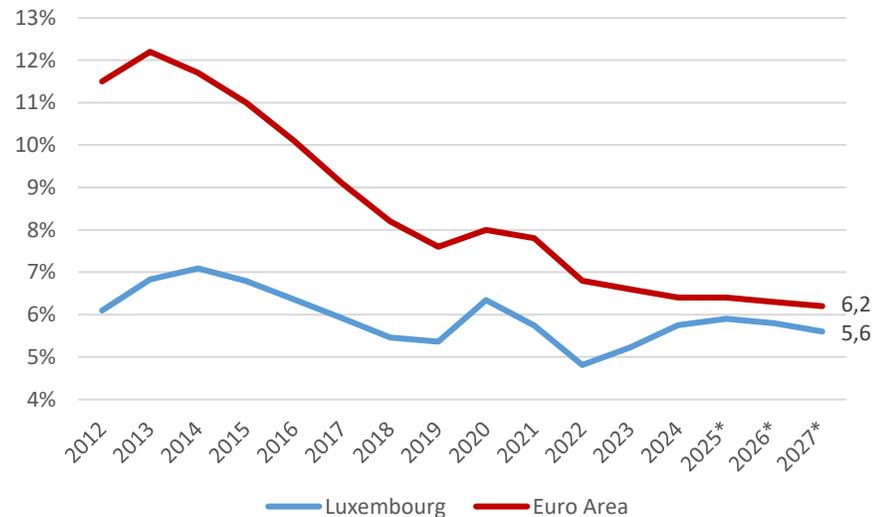
Solid Labour Market

- Luxembourg's **strong economic performance** and **labour market** are reflected in a **solid employment rate** (74.2%), amid a mild correction in 2024.
- The **unemployment rate** in Luxembourg is relatively low compared to other European countries (5.2% in 2023 and 5.8% in 2024).
- Luxembourg has a **strong social safety net**, including unemployment benefits for those temporarily out of the labour market.

Annual Employment Rate



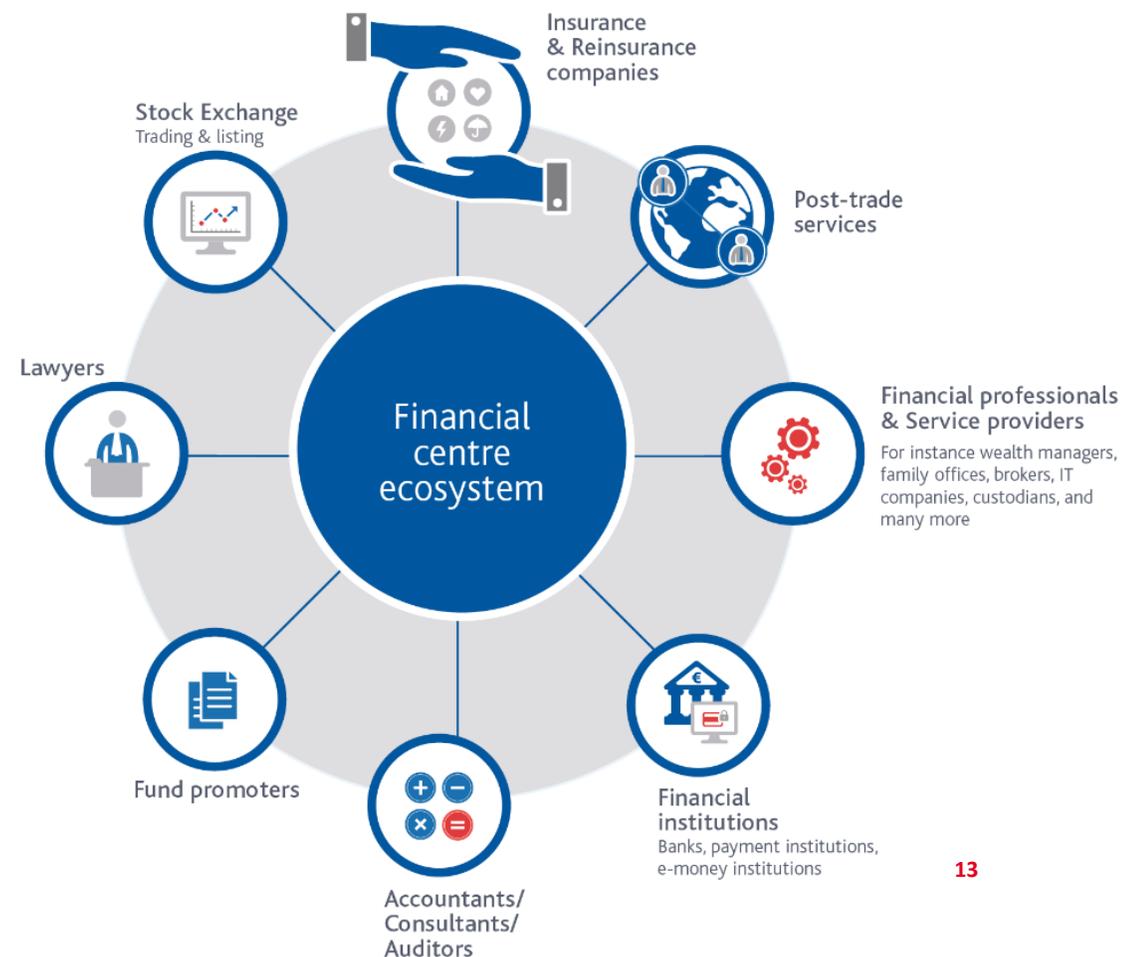
Annual Unemployment Rate - consistently below the euro area





Luxembourg as an International Financial Centre

- Luxembourg is a **cross-border hub** and centre of excellence facilitating multi-jurisdictional and international financial services.
- Luxembourg is home to the **world's 2nd largest investment fund centre**.
- Total net fund assets under management of **EUR 6,200 bn** in **December 2025**.
- The **Luxembourg UCI sector** has shown **robust growth and adaptability**, maintaining its position as a **key player** in the **global investment fund industry**.

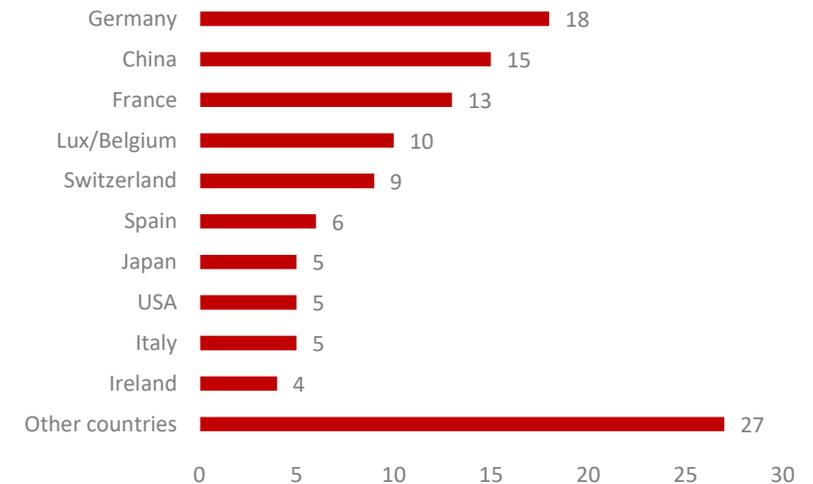




Strong Financial Services

- The banking sector in Luxembourg has shown **remarkable resilience** amidst global challenges.
- The **banking sectors' total balance sheet** and **profit before provisions and taxes have increased over the years**, reaching EUR 972.3 bn and EUR 9.8 bn respectively at the end of 2024.
- The latest **2025** data suggest **continued balance sheet growth** to about EUR 981.6 bn as well as an increasing **number of employees** which reached 26,284 employees at the end of 2025.
- Despite **challenges** such as compliance with new regulations and digital transformation, the **performance of the sector remains strong**. The **government** is supportive of a further strengthening of the sector and actively **fosters innovation**, as illustrated by recent tax breaks and the adoption of the 4th Blockchain Law.

Number and geographical origin of the
117 banks present in Luxembourg





Well Diversified Economy

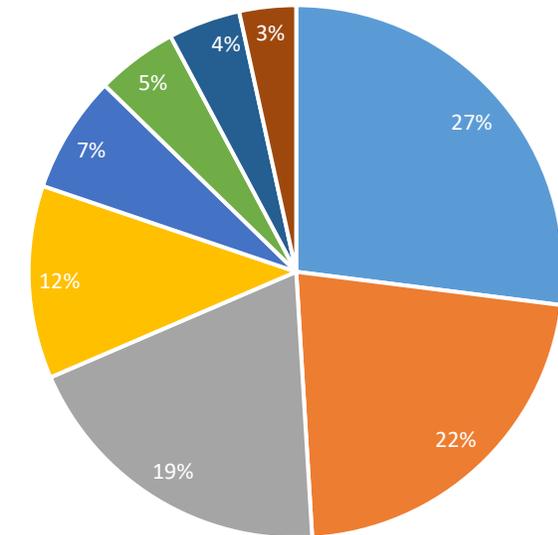
Luxembourg: a growth-oriented economy, beyond the financial sector...

- **European headquarters** of global companies such as Amazon, Ferrero, Paypal, Skype, eBay, SES, ArcelorMittal and many others.
- **Logistics hub and home base of all-freight carrier Cargolux**, with Luxembourg Airport being the 6th largest freight airport in Europe.
- **Strong focus on innovation**, in sectors such as FinTech, Space Resources, CleanTech, Health- & BioTech and Cybersecurity. In 2024, Luxembourg Parliament adopted the Blockchain Law 4 which expands the legal framework to support the development of digital securities and tokenisation.

... with a business-friendly environment

- In 2023, Luxembourg had **48,800 active enterprises, employing around 400,000 people**.
- In 2024, the main sectors were **Trade** (54,300 employees) and **Financial and Insurance** activities (55,000 employees).
- Luxembourg's **economic policies** value the strength of private initiative and innovative spirit.
- Luxembourg is a small country, with a **globally connected economy**, where business can develop easily and directly.
- Its **stable legal, economic and political context** provides an optimal environment for doing business.

Sectoral Share of Gross Value Added (2024*)

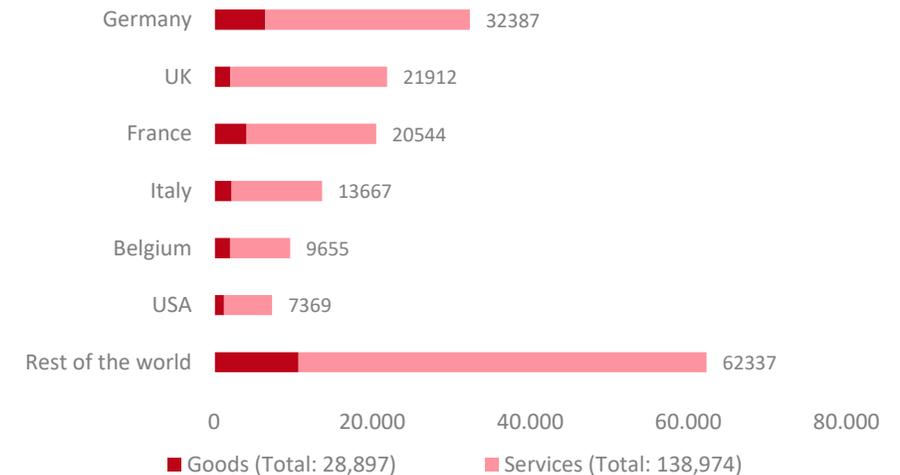




Dynamic and Open Economy

- Luxembourg is the **most open economy in the world**.
- **Total exports exceeded 200% of GDP in 2024**, of which EUR 29 bn in goods and EUR 139 bn in services.
- The international positive trade in services (EUR 31.2 bn) mainly drove the **external trade balance** (of EUR 3.6 bn in 2024) despite the deterioration in the external balance compared to 2023 (EUR -1.9 bn) mainly due to imports growing more than exports.
- **Financial services** have however generated a large surplus of EUR 24.9 bn, with exports growing by 6.9% and imports by 6.7%, mainly due to an increase in the average assets managed by investment funds.
- According to the first provisional figures for **2025**, the current account recorded a surplus of EUR 5.9 bn over the first 9 months (i.e. EUR -0.9 bn YoY).

Exports of goods and services by partner (in million EUR, 2024)

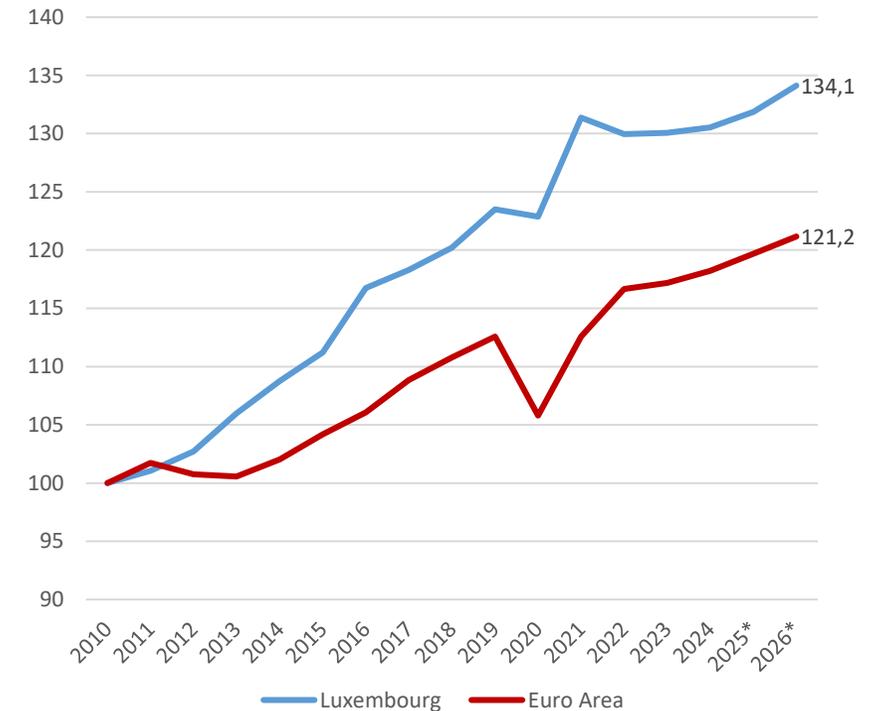




Resilient and Thriving Economy

- Luxembourg consistently outpaces the euro area in terms of GDP growth, demonstrating its **strong and competitive economy**.
- After overcoming challenges in 2022 (-1.1%), Luxembourg recovered in 2023 and 2024 (+0.1% and +0.4% respectively), with **growth set to accelerate significantly in the coming years**.
- Stabilising interest rates and a gradual recovery in household consumption support Luxembourg's medium-term growth prospects, **underpinned by its strategic role within the euro area economy**.
- In 2025, GDP is projected to grow by 1.0% and maintain its strong momentum, highlighting Luxembourg's capacity for **sustained economic expansion** with growth expected to reach 2.1% in 2027.
- Luxembourg's economic dynamism and favourable conditions make it an **ideal hub for investment and growth in Europe**.

Real GDP - Continued overperformance vs. the euro area



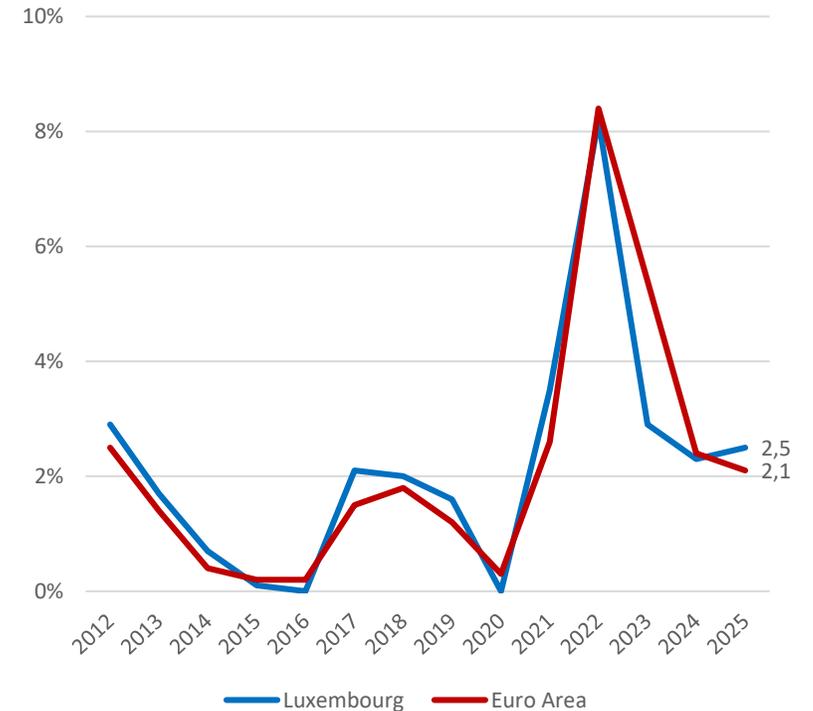
Index 100 = 2010



Inflation back to 2% target

- **Luxembourg's CPI has remained the second lowest in the EU in 2023**, after reaching some of its highest levels in 2022.
- The **government's support measures** have contributed to **reducing inflation** and to **preserving households purchasing power**, while at the same time **boosting the competitiveness of companies**.
- Inflation stood at 2.3% in 2025, and for 2026, STATEC forecasts an inflation rate of 1.8% (NICP). In January 2026, **inflation eased** to 1.3% YoY, driven mainly by lower energy prices (-9.2% YoY).
- Luxembourg's automatic wage indexation mechanism **compensates for inflation**, ensuring that wages are adjusted whenever the national consumer price index increases by 2.5% compared to the previous indexation.
- Luxembourg's automatic wage indexation system, a key feature of the local economic landscape, is a key factor in maintaining **social cohesion**.

Consumer Price Index (HICP annual coverage rate of change)



3. Luxembourg's Public Finances



Coalition Agreement 2023-2028

The government formed after the October 2023 elections aims to implement a **business-friendly and economic recovery policy** :

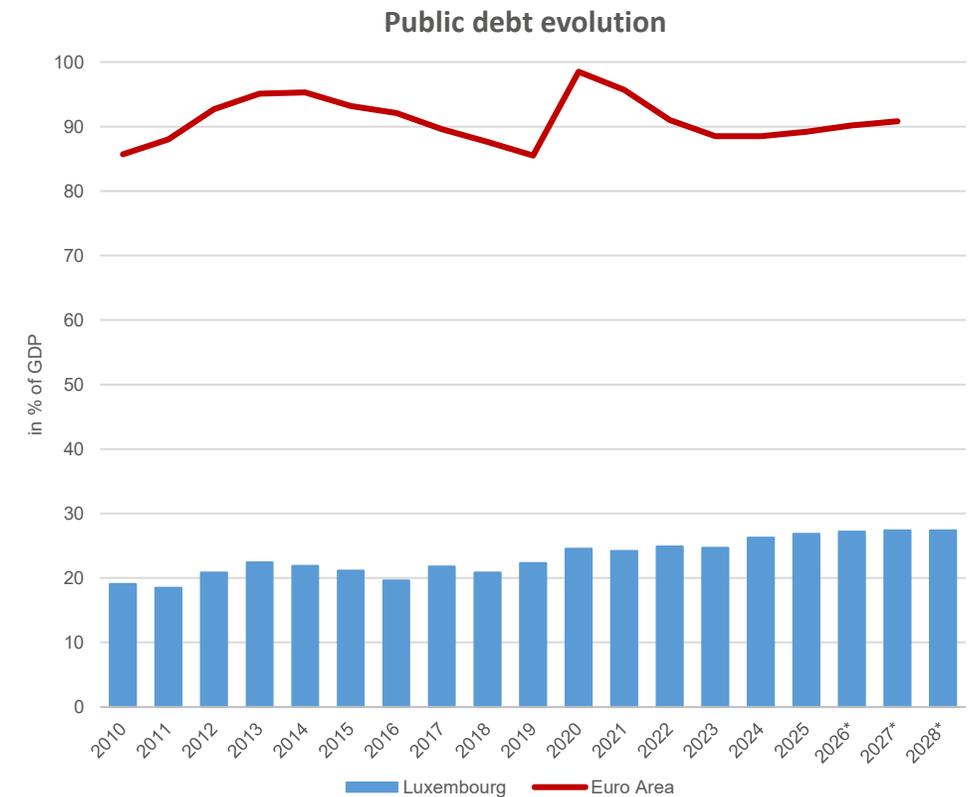
- by maintaining **public investment at a high level** in order to respond to current and future challenges related to demographic change and the double sustainable and digital transition.
- through measures aimed at **strengthening the competitiveness** of the economy in general and the financial centre in particular.
- by continuing to **support households** through additional measures in terms of **purchasing power**.

The government is also firmly committed to **pursuing a responsible and sustainable budgetary policy** and to **safeguarding Luxembourg's AAA credit rating**.



Public Finances (1/2)

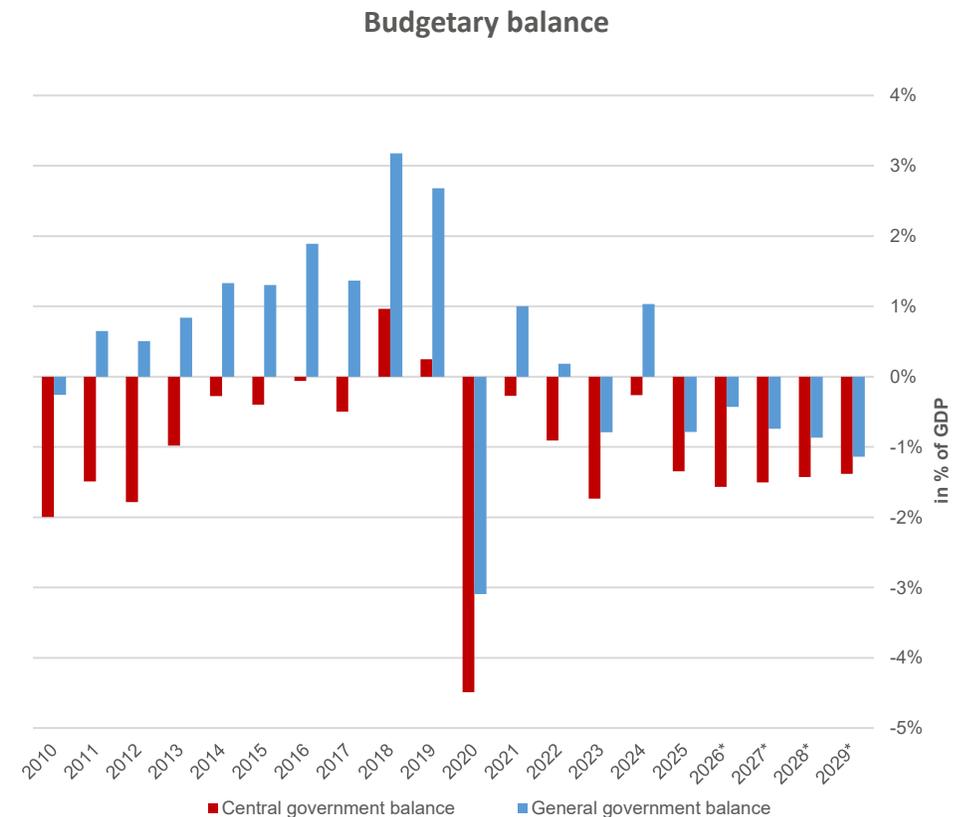
- The **support measures**, implemented as of 2022 to face the crises, **continued to affect the debt-to-GDP ratio in 2024**, which reached **26.3% of GDP** (compared to 27.5% of GDP estimated in the 2025 Budget).
- As a result of the phasing out of most support measures, a slowdown in expenditure growth and considering the revised GDP estimates, **public debt has reached 26.8% of GDP in 2025**.
- According to the 2026 Budget, **the debt-to-GDP ratio is projected to reach 27.0% of GDP in 2026** and to **stabilise at around 27.1%** in the following years.
- The **level of public debt remains largely below the euro area average**, despite the uncertainties related to the geopolitical conflicts.
- The **government coalition agreement for 2023-2028** aims at **maintaining a sustainable path for public debt**.
- Luxembourg has **significant financial assets** including pension fund reserves (equivalent to 35.6% of GDP), participations in listed companies (2.1% of GDP) and assets in the FSIL sovereign fund (0.8% of GDP).





Public Finances (2/2)

- From 2022 until 2025, the measures taken to curb energy prices have had a negative impact on the **general government balance** of 4.0% of GDP.
- In 2024, **higher-than-expected revenues** and a **prudent approach to spending** reduced the **central government deficit to EUR 228 million** (previously estimated at EUR 1.4 billion), resulting in a **general government surplus of EUR 766 million (0.9% of GDP)**.
- The 2026 Budget projected the general government balance at -0.8% of GDP in 2025, with a **persistent deficit in the medium term** due to **increasing investments, notably in defence**.



4. Luxembourg's Credit Rating and Debt Management



Credit Ratings

Moody's	Aaa	Stable
S&P Global Ratings	AAA	Stable
Fitch Ratings	AAA	Stable
Morningstar DBRS	AAA	Stable
Scope Ratings	AAA	Stable

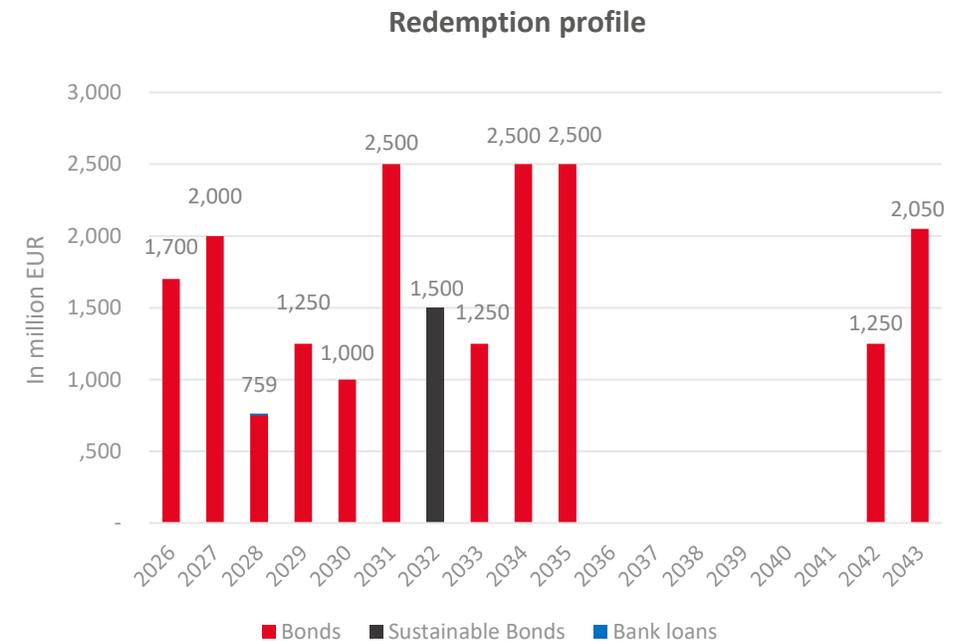
Rationale behind the AAA rating :

- ✓ *“Luxembourg’s ratings, including its Aaa long-term issuer ratings, reflect its exceptionally high wealth levels, a dynamic and flexible economy and the sovereign’s very strong balance sheet” (Moody’s, 2026)*
- ✓ *“In our view, the country is one of the most resilient sovereigns we rate thanks to its extremely wealthy economy, strong institutions, and ample fiscal space.” (S&P Global, 2026)*
- ✓ *“Luxembourg’s ratings reflect an exceptionally high income per capita economy, with governance indicators above the 'AAA' peer median” (Fitch Ratings, 2024)*
- ✓ *“The credit ratings reflect Luxembourg’s very strong public finances. The credit ratings are also supported by the country’s effective governing institutions and stable political environment, advanced and wealthy economy, and strong external position.” (Morningstar DBRS, 2025)*
- ✓ *“A wealthy economy, strong fiscal fundamentals and a robust external position are credit strengths.” (Scope Ratings, 2025)*



Debt Management (1/2)

- **Syndicated Luxembourg Government Bonds (LGB) are the cornerstone of the Treasury's long-term funding strategy:** Luxembourg has 14 LGBs outstanding for a total amount of EUR 20.25 bn*.
- **Optimizing refinancing and interest rate risk, zero FX exposure:** Outstanding LGBs (fixed-rate and issued in EUR only) have an average maturity of 7.28 years (as at December 31st, 2025).
- **For short term financing needs < 1 year and cash management purposes, the State Treasury may issue Treasury Certificates:** Currently, no Treasury Certificates are outstanding.



*The difference between the total government debt and the total amount of LGB is mainly composed of non-negotiable debt



Debt Management (2/2)

Outstanding Luxembourg Government Bonds (LGB)

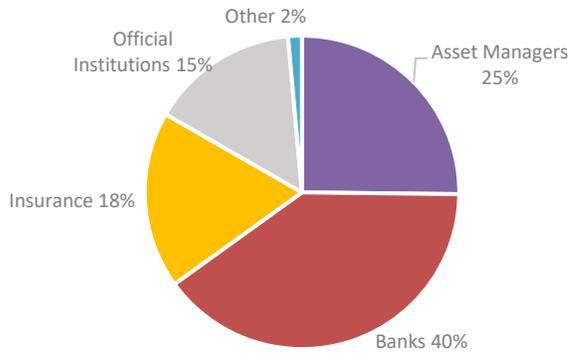
	Issue Date	Notional	Maturity	Maturity date	Coupon	Currency
LGB 0.00% 2026	13/11/2019	1,700,000,000	7y	13/11/2026	0.000%	EUR
LGB 0,625% 2027	01/02/2017	2,000,000,000	10y	01/02/2027	0.625%	EUR
LGB 2.25% 2028	19/03/2013	750,000,000	15y	19/03/2028	2.250%	EUR
LGB 1.375% 2029	25/05/2022	1,250,000,000	7y	25/05/2029	1.375%	EUR
LGB 0.00% 2030	28/04/2020	1,000,000,000	10y	28/04/2030	0.000%	EUR
LGB 0.00% 2031	24/03/2021	2,500,000,000	10y	24/03/2031	0.000%	EUR
LGB 0.00% 2032	14/09/2020	1,500,000,000	12y	14/09/2032	0.000%	EUR
LGB 3.00% 2033	02/03/2023	1,250,000,000	10y	02/03/2033	3.000%	EUR
LGB 2.875% 2034	01/03/2024	1,250,000,000	10y	01/03/2034	2.875%	EUR
LGB 2.625% 2034	23/10/2024	1,250,000,000	10y	23/10/2034	2.625%	EUR
LGB 2.90% 2035	17/09/2025	2,500,000,000	10y	17/09/2035	2.900%	EUR
LGB 1.75% 2042	25/05/2022	1,250,000,000	20y	25/05/2042	1.750%	EUR
LGB 3.25% 2043	02/03/2023	1,750,000,000	20y	02/03/2043	3.250%	EUR
LGB 2.75% 2043 (PP)	20/08/2013	300,000,000	30y	20/08/2043	2.750%	EUR



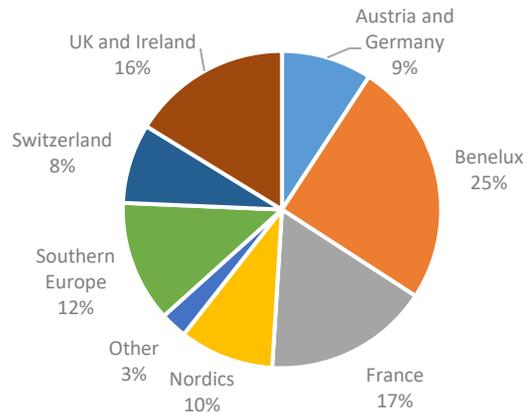
Diversified Investor base for LGBs

2.5 bn EUR LGB 2035
September 2025

Investor type

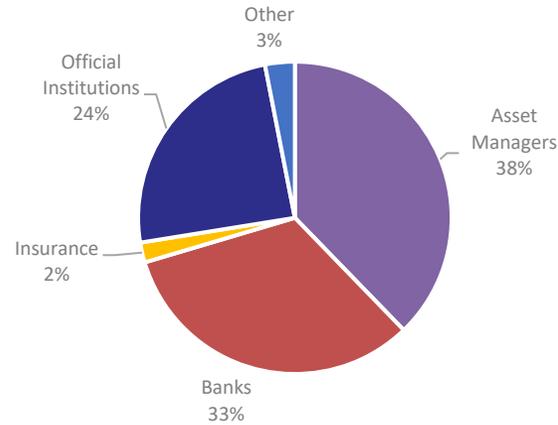


Investor Location

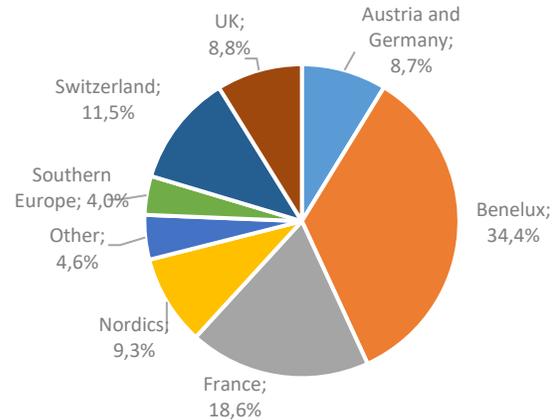


1.25 bn EUR LGB 2034
October 2024

Investor Type

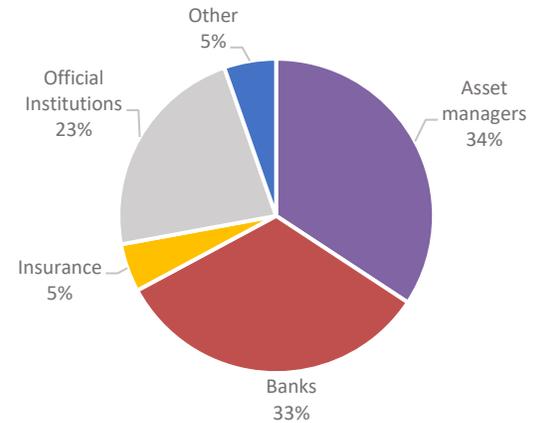


Investor Location

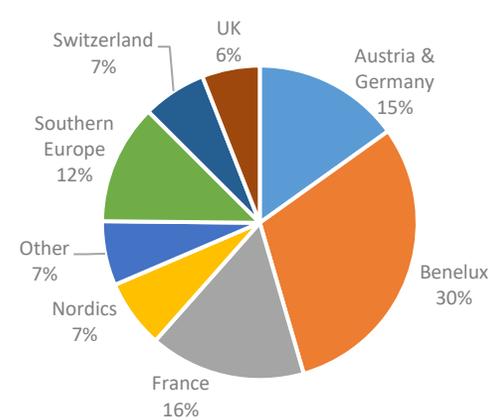


1.25 bn EUR LGB 2034
March 2024

Investor Type

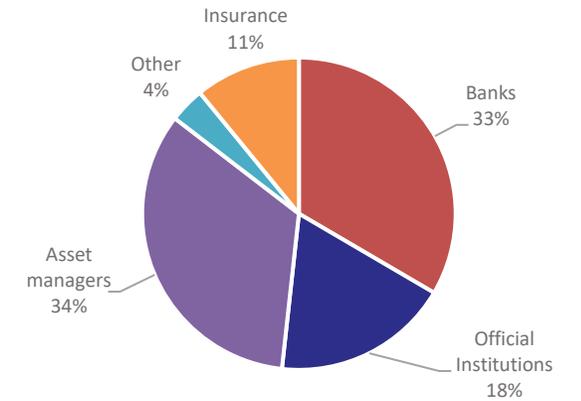


Investor Location

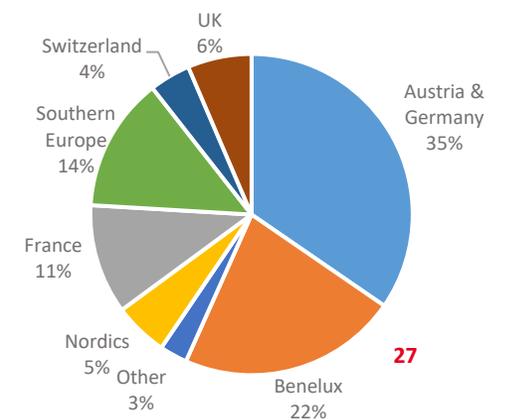


1.75 bn EUR LGB 2023
March 2023

Investor Type



Investor Location

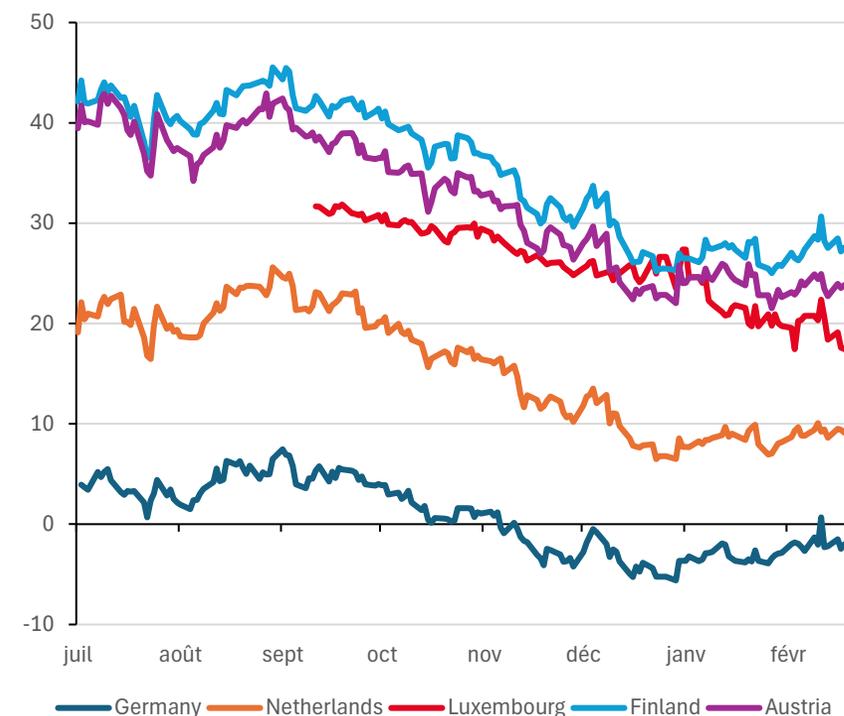


Ultra-high grade issuers in Europe

- Luxembourg has the highest credit rating in the Eurozone, on a par with Germany and the Netherlands. This is underpinned by excellent economic and fiscal performance.
- Luxembourg will be a more frequent issuer in European Capital Markets. With improving liquidity, there is room for performance vs other Ultra-high rated sovereign issuers.

	Luxembourg	Netherlands	Germany	Austria	Finland
Rating (S&P/Mdy/Fitch)	AAA/Aaa/AAA	AAA/Aaa/AAA	AAA/Aaa/AAA	AA+/Aa1/AA	AA+/Aa1/AA
GDP EURbn	86	1,122	4,328	494	276
GDP per capita (EURK)	128	63	52	54	49
GNI per capita (pps)	64	53	48	48	41
Debt-to-GDP (%)	26.3	43.7	62.2	79.9	82.5
Deficit (%)	0.9	-0.9	-2.7	-4.7	-4.4
GDP Growth 2005-2024	2.1	1.5	1.1	1.1	0.7
GDP Growth 2024	1.0	1.0	-0.2	-1.0	-0.1
Deposits of households (EURK)	190	N/A	72	75	42
10y MS+ (bp)	17.5	9.1	-2.0	23.8	27.5

Recent 10Y Swap Spread Evolution (in bp)





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