



THE GOVERNMENT
OF THE GRAND DUCHY OF LUXEMBOURG
Luxembourg State Treasury

Grand-Duchy of Luxembourg

Investor Presentation

October 2026





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**





2026 Funding Plan

- In February 2026, Luxembourg State Treasury issued a retail Defence Bond for EUR 150 million with a 3-year maturity.

Type	Retail Defence Bond
Ratings	Aaa/AAA/AAA (all stable) (Moody's/S&P/Fitch)
Issue Size	EUR 150 Mio
Maturity	3 years
Documentation	Standalone

- In March 2026, Luxembourg State Treasury issued an LGB for a total amount of EUR 2.5 billion with a 10-year maturity.

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

- In October 2026, the Luxembourg State Treasury plans to issue a benchmark-sized 10-year DLT-based LGB and may issue a conventional LGB by year-end.

Type	Luxembourg Government Bond (LGB) RegS Bearer, Senior, Unsecured
Ratings	Aaa/AAA (all stable) (Moody's/S&P)
Expected Size	EUR Benchmark
Maturity	10 years
Documentation	Standalone LGB
Expected number of issuances	- one Distributed Ledger Technology (DLT) - possible additional LGB by year-end
Total amount to be issued	Up to EUR 3 billion (combined, maximum)



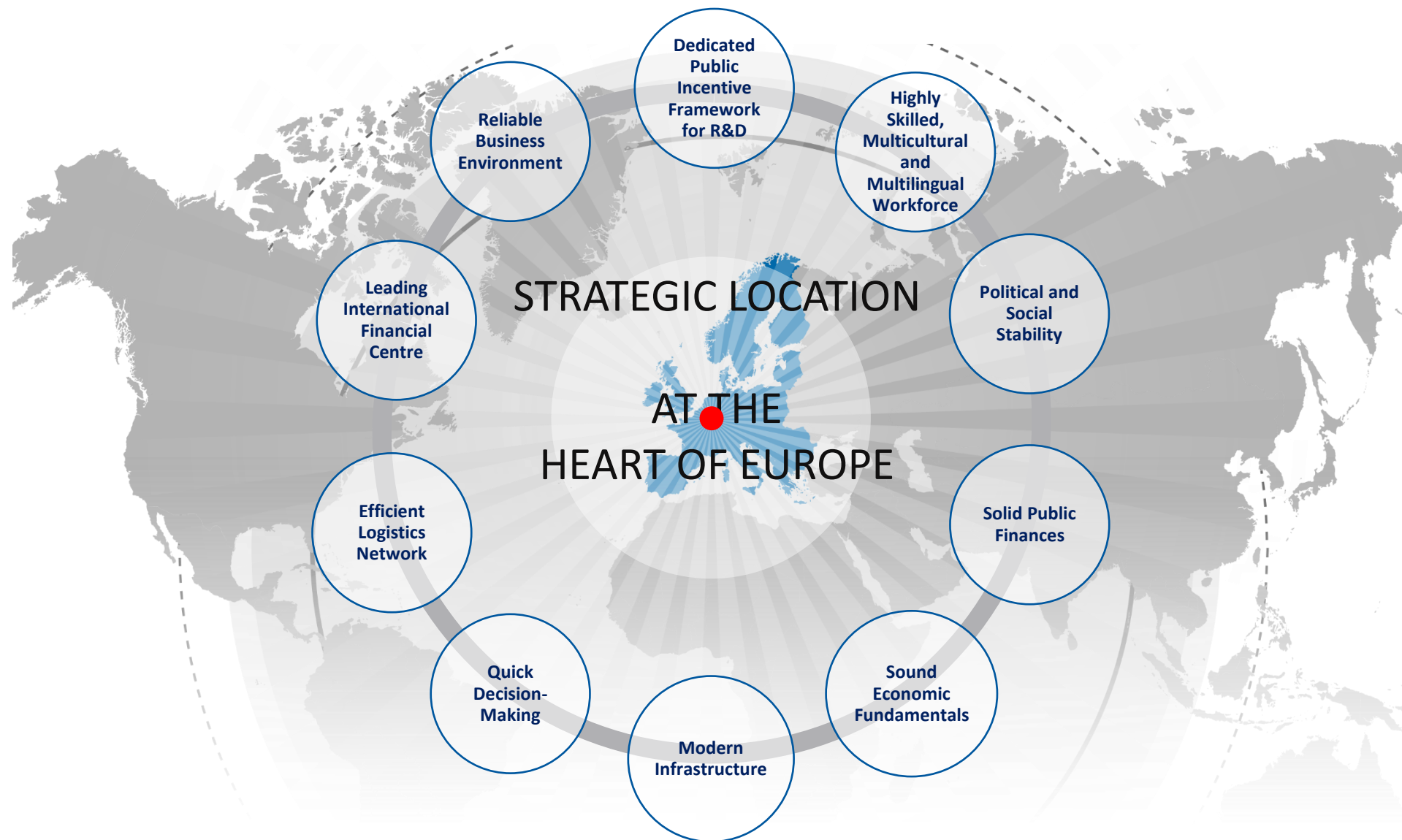
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1. Luxembourg at a Glance



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.



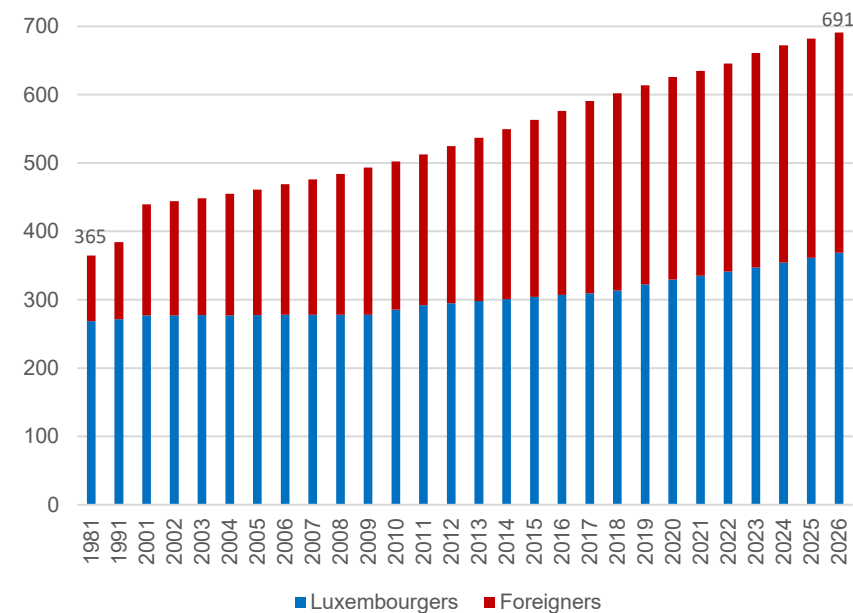
2. Key Economic Figures



Growing and Multicultural Population

- Luxembourg's **population has almost doubled** since the 1980s, driven by a strong immigration.
- **Foreign nationals represent 46.6% of the population**, which are mainly Portuguese (12.8% of the population), French (7.1%), Italian (3.7%), Belgian (2.6%) and German (1.8%).
- Over the last decade the population has grown by an average of 1.8% per year with a positive net migration of more than 10,000 people per year.
- 69% 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).

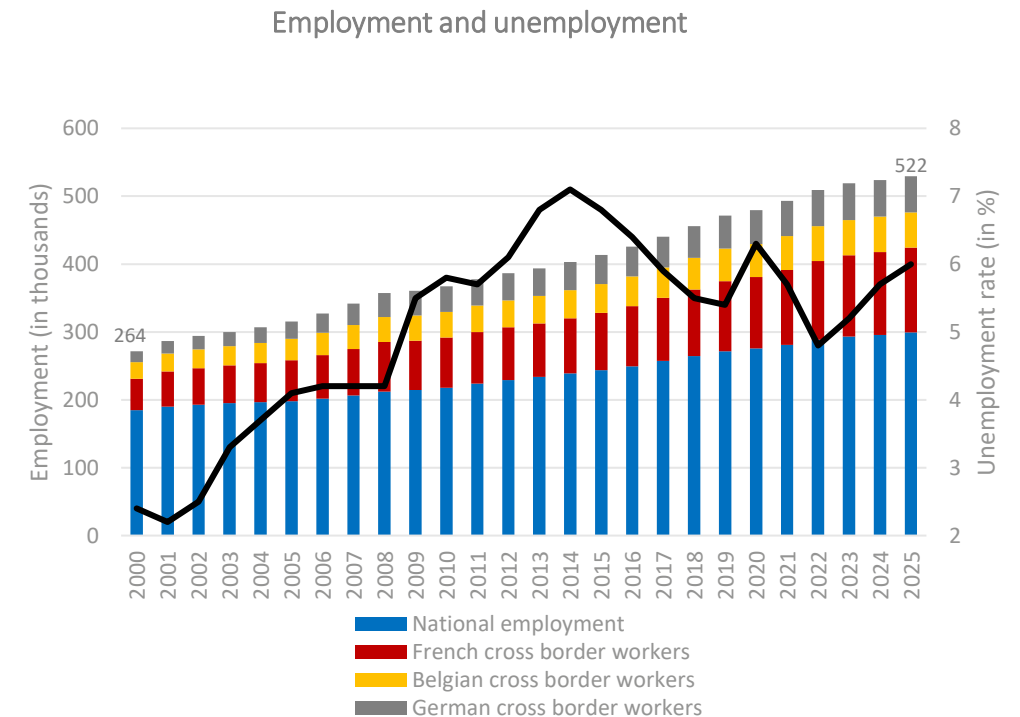
Evolution and composition of the population (in thousands)





International and Highly Qualified Workforce

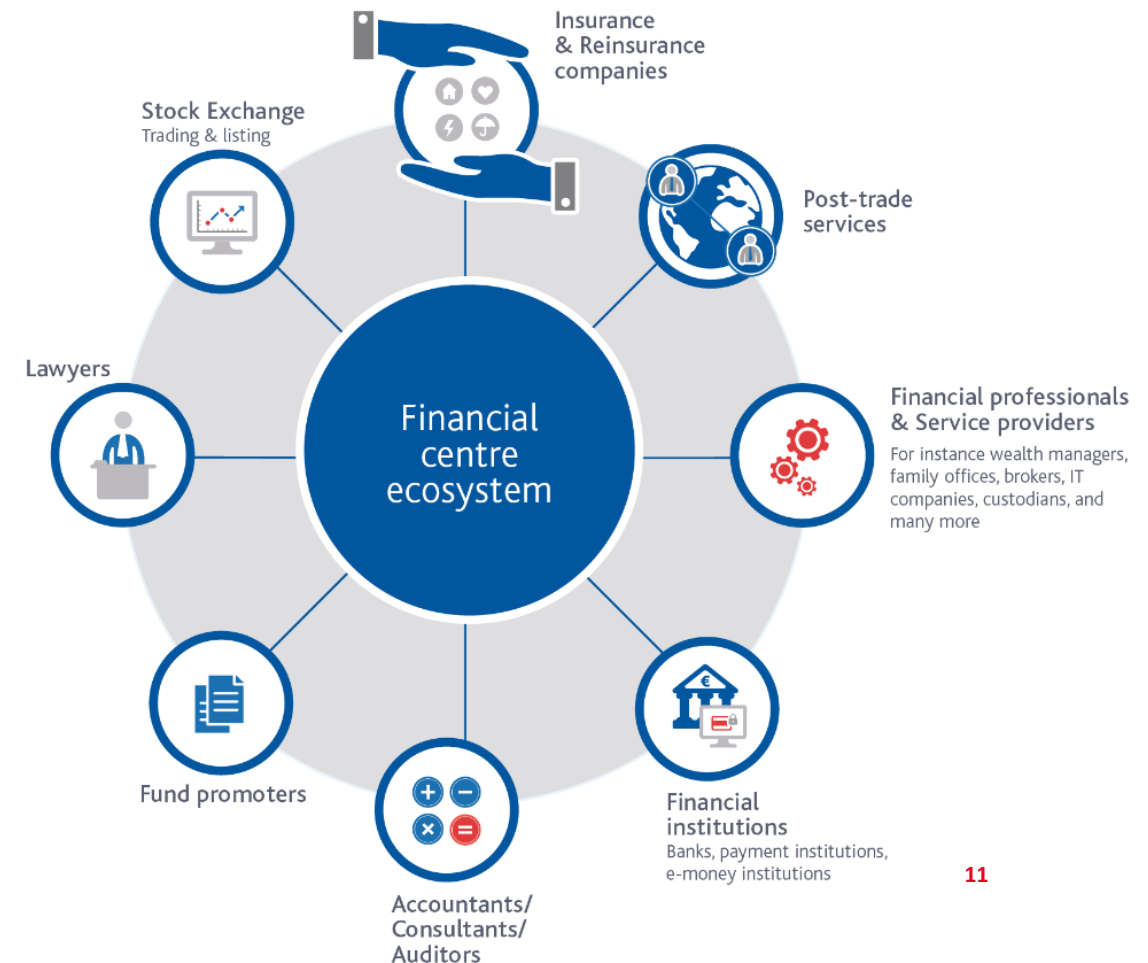
- The country attracts **an international workforce** thanks to its strong economy, favourable working conditions and strong social safety net.
- **Cross-border workers** coming from France, Germany and Belgium account for **45.4% of the workforce**.
- **Professional, scientific and technical activities** as well as the **financial and insurance sector** are among the highest employment sectors, accounting for 11.0% and 10.6% of domestic employment, respectively.





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 6,790 bn in August 2026**.
- The **Luxembourg UCI sector** has shown **robust growth and adaptability**, maintaining its position as a **key player** in the global investment fund industry.

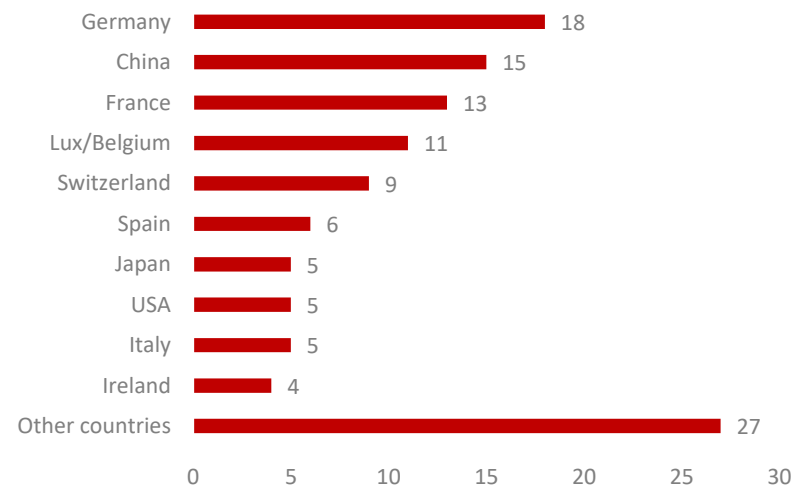




Strong Financial Services

- The banking sector in Luxembourg has shown **remarkable resilience** amidst global challenges.
- The **banking sectors' total balance sheet has increased over the years**, reaching EUR 1,051 bn on 30 June 2026.
- **Profit before provisions and taxes** increased by 5.4% YoY and the **number of employees** reached 26,560 employees at the end of June 2026.
- Despite **challenges** such as compliance with new regulations and digital transformation, the **performance of the sector remains strong**.
- The **government** actively supports the sector's continued development and **innovation** through measures such as recent tax incentives and the 4th Blockchain Law.

Number and geographical origin of the
118 banks present in Luxembourg





Open and Diversified Economy

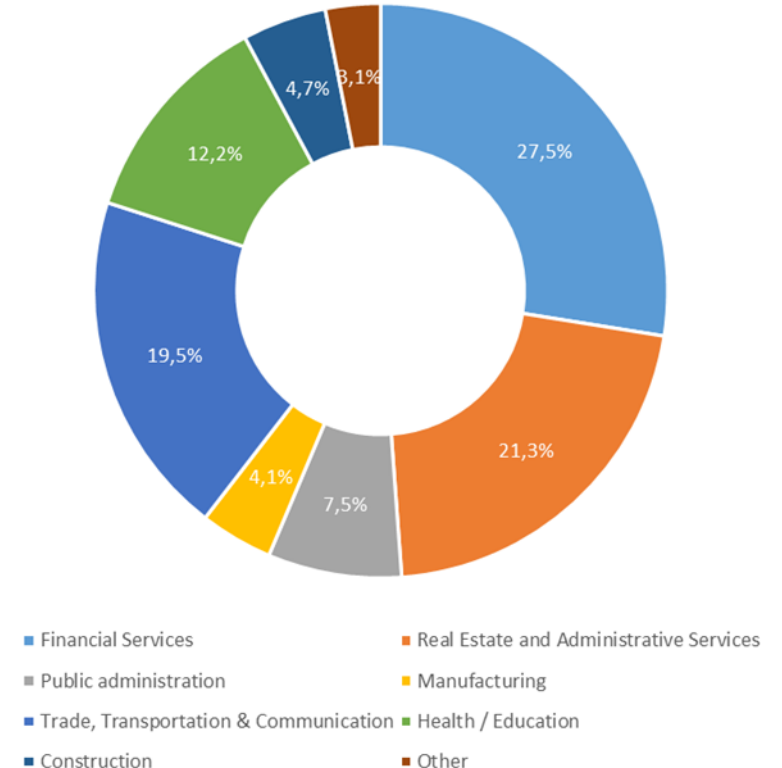
Luxembourg: a growth-oriented economy, beyond the financial sector...

- **European headquarters** of global companies such as Amazon, Ferrero, Paypal, eBay, SES, ArcelorMittal and many others.
- **Leading international logistics and air cargo platform**, anchored by Cargolux and Luxembourg Airport.
- **Strong focus on innovation**, in sectors such as FinTech, Space Industry, Automotive, Health technologies and Cybersecurity.

... with a business-friendly environment

- In 2024, around **50,000 active enterprises** employed **400,000 people** in Luxembourg.
- In 2025, the main sectors were **Professional, Scientific and Technical** activities, **Financial and Insurance** activities and **Trade** (>50,000 employees each).
- Luxembourg's **economic policies** value 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 (2025)





Open, Resilient and Dynamic Economy

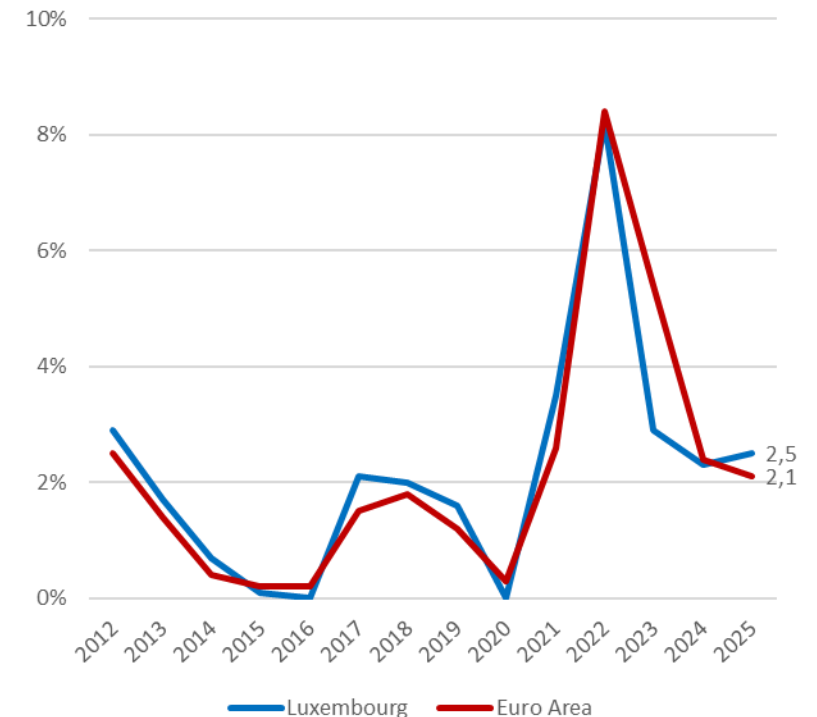
- One of the **most open economy** in the world:
 - **Total exports and imports** represented 350% of GDP in 2025.
- **A strong and competitive economy:**
 - After overcoming challenges in 2022 (-1.1%), Luxembourg recovered in 2023 and 2024 (+0.1% and +0.4% respectively), with **growth set to accelerate 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 grew by 0.6%, with growth expected to accelerate to 1.2% in 2026 and 1.9% in 2027, before reaching 2.4% in 2030.
 - Luxembourg's economic dynamism and favourable conditions make it an **ideal hub for investment and growth in Europe.**



Inflation Outlook Amid Uncertainty

- 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 (IPCN) stood at 2.3% in 2025 and is currently forecast at 2.8% in 2026 but remains **highly dependent on energy price developments** following the closure of the Strait of Hormuz. In April 2026, **inflation** reached **3.1% YoY** (driven mainly by **higher energy prices**) and stood at 2.9% in September 2026.
- 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. 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**.

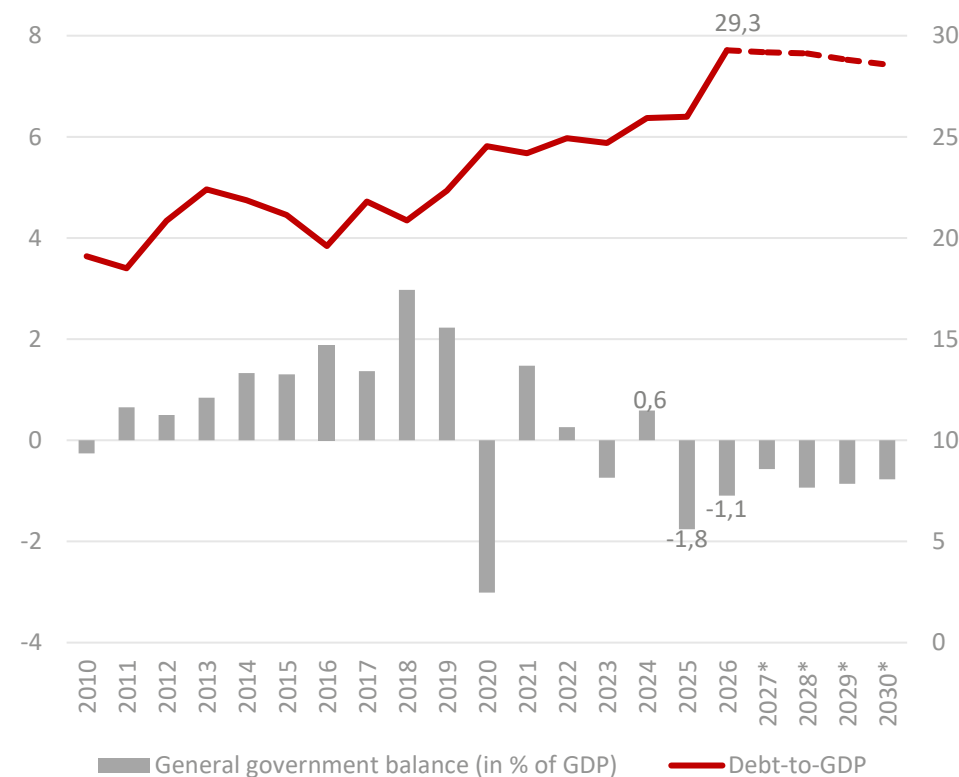
The government is also firmly committed to **pursuing a responsible and sustainable budgetary policy** and to **safeguarding Luxembourg's AAA credit rating**.



Public Finances (1/2)

- The 2027 Budget projects a **moderate general government deficit** over the medium term, mainly driven by **central government expenditure**, reflecting **increasing investments**, notably in defence and housing.
- This **central government deficit** is expected to peak at **2.1% of GDP in 2028** and then **gradually decline to 1.4% in 2030**.
- This comes after a **surplus of 0.6% of GDP in 2024** and a **deficit of 1.8% of GDP in 2025**, largely due to higher defence spending and measures to tackle inflation.

General government balance and debt-to-GDP evolution (in % of GDP)

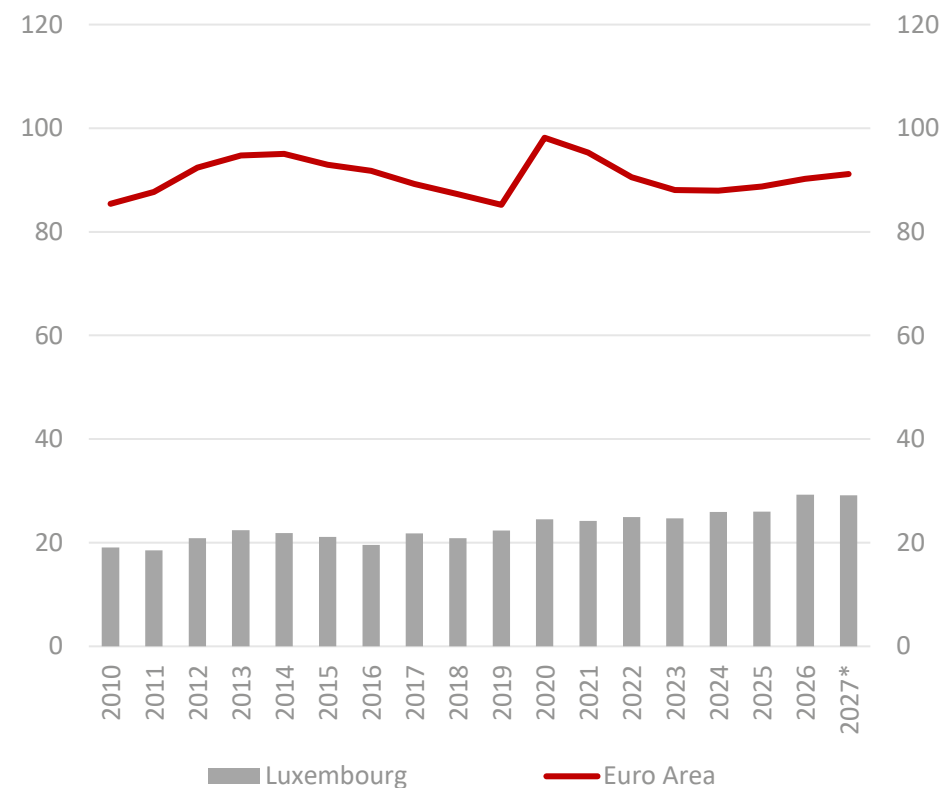




Public Finances (2/2)

- Despite a challenging geopolitical environment, Luxembourg continues to maintain a **low level of public debt**, well **below the euro area average** of 90.2%.
- Luxembourg holds **significant financial assets** including:
 - pension fund reserves (32.6% of GDP),
 - stock of participation in capital of corporations (21.2% of GDP as at 31.12.2024), of which participation in listed companies (2.5% of GDP),
 - assets in the FSIL sovereign wealth fund (1.0% of GDP).
- **Support measures** introduced in 2022 in response to successive crises **continued to weigh on public debt levels in 2024 and 2025**.
- Public debt is expected to reach **29.3% of GDP in 2026** driven by increased borrowing needs associated with a higher fiscal deficit in 2025.
- According to the 2027 Budget, the debt-to-GDP ratio is projected to **remain stable at around 29.2% in 2027** and gradually decline to 28.6% by 2030, **maintaining a sustainable debt trajectory**.

Public debt evolution (in % of GDP)



4. 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

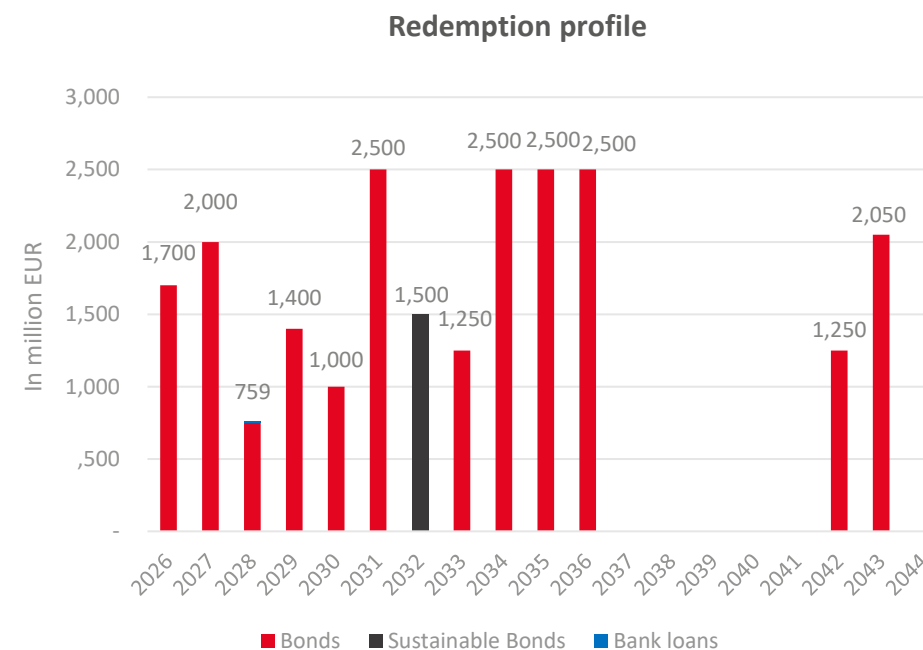
Rationale behind the AAA rating :

- ✓ *“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 16 LGBs outstanding for a total amount of EUR 22.9 bn*.
- **Optimizing refinancing and interest rate risk, zero FX exposure:** Outstanding LGBs (fixed-rate and issued in EUR only) have an average maturity of 6.82 years (as at September 30th, 2026).
- **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)

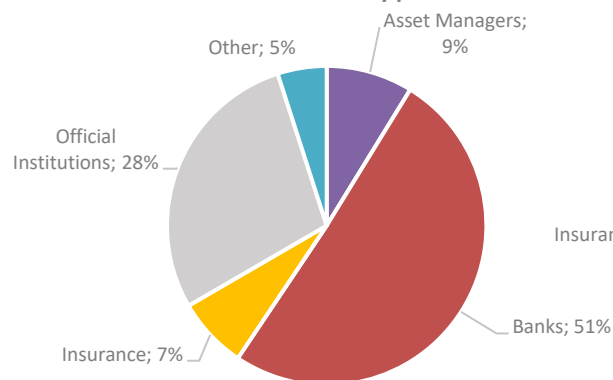
	Issue Date	Notional	Maturity	Maturity date	Coupon	Currency
LGB 0.00% 2026	13/11/2019	1,700,000,000	7y	13/11/2026	0.000%	EUR
LGB 0.625% 2027	01/02/2017	2,000,000,000	10y	01/02/2027	0.625%	EUR
LGB 2.25% 2028	19/03/2013	750,000,000	15y	19/03/2028	2.250%	EUR
LGB 2.25% 2029 - Defence Bond	05/02/2026	150,000,000	3y	05/02/2029	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 3.125% 2036	24/03/2026	2,500,000,000	10y	24/03/2036	3.125%	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

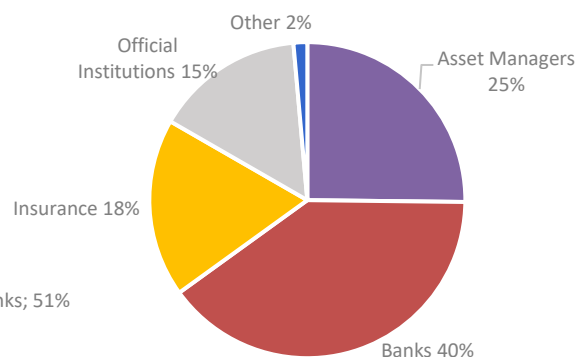
2.5 bn EUR LGB 2036
March 2026

Investor type



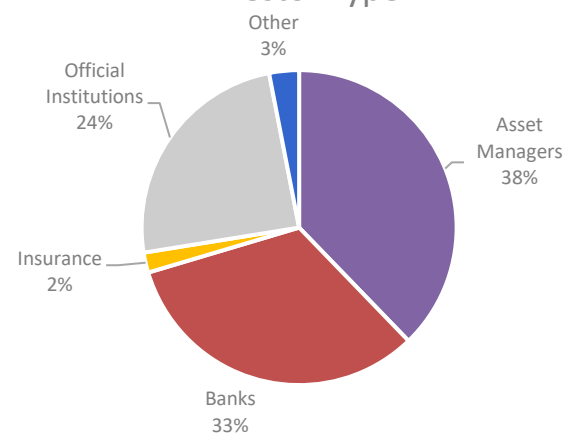
2.5 bn EUR LGB 2035
September 2025

Investor type



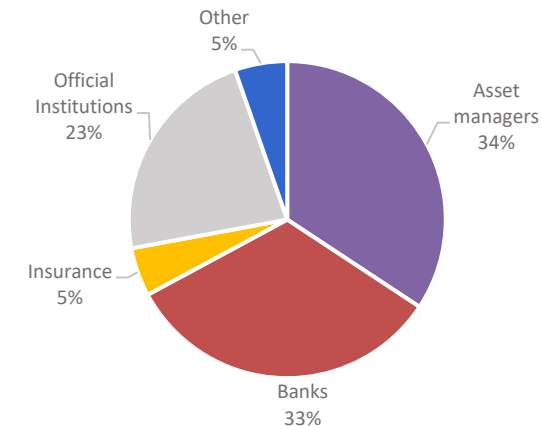
1.25 bn EUR LGB 2034
October 2024

Investor Type

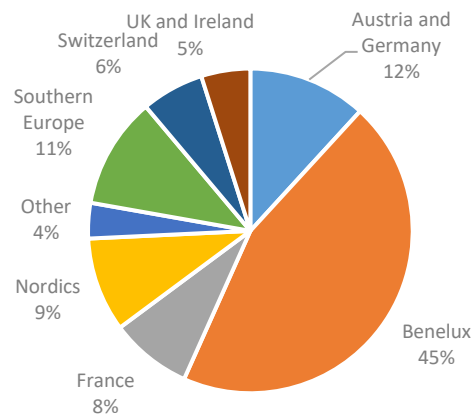


1.25 bn EUR LGB 2034
March 2024

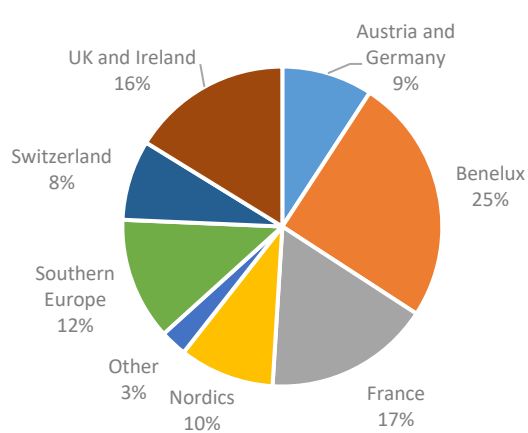
Investor Type



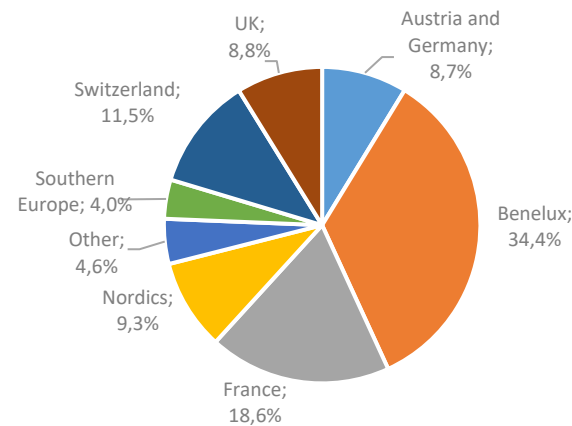
Investor location



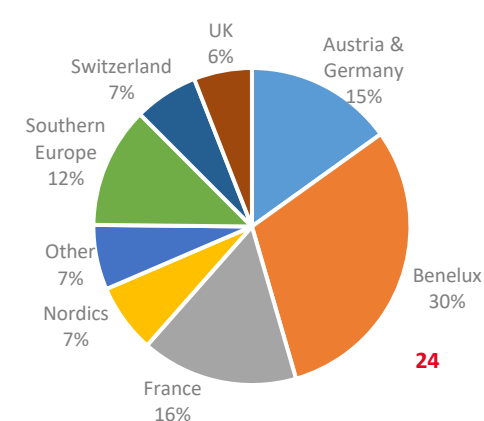
Investor Location



Investor Location



Investor Location



5. DLT Features



Key players

- **Luxembourg State Treasury** will be Issuer, **Spuerkeess** will be Settlement Lead Manager, Issuing and Paying Agent and LuxCSD Principal Agent.
- **LuxCSD** acts as issuer Central Securities Depository for the issuance of a Luxembourgish benchmark bond leveraging the Deutsche Börse Group's D7 digital issuance platform, marking a significant milestone, as it will be the first DLT*-native benchmark bond from a European government.
- A **bank syndicate** (Barclays, BGL BNP Paribas, CITI, Crédit Agricole CIB, Spuerkeess) will internationally distribute the bond to investors through Clearstream Banking Luxembourg and Euroclear Bank , incl. intra-ICSD channel ("Bridge").

* DLT: Distributed Ledger Technology. A Secure, shared digital register for financial assets with LuxCSD acting as the trusted operator ensuring rules, security, and access control.
The DLT is based on a private permissioned blockchain EVM ("Ethereum Virtual Machine") compatible



Issuance of Lux domestic bonds on chain



Creation of a domestic security in **LuxCSD as Issuer CSD** (LU ISIN) under **Luxembourg governing Law**.



Allow **interoperability between DLT and traditional systems** without disruption for market participants: securities are issued on-chain, while represented off-chain to execute primary and secondary market settlement as well as asset servicing in conventional rails.



Fully regulated: Issuance of a **MiFID “transferable securities”** in a **CSDR regulated** environment with **ECB Collateral Eligibility**.



Responsibilities per actor in D7 DLT Platform

- **LuxCSD** Issuer CSD, Operator of the D7 DLT Platform
- **Spuerkeess (as Issuer Agent)** Transmission of T&C and issuance data into D7 user interface for Digitally Native Security¹ deployment
- **Spuerkeess (as Settlement Lead Manager)** Holder of the SLM wallet² on which minting (mark-up) of the full issued outstanding amount is done for issue date (legal creation of the Digitally Native Security from a Lux law perspective)
- **Clearstream Banking S.A. (“CBL”)** Holder of the CBL immobilized wallet³ for the purpose of immobilising and safe-keeping the Digitally Native Security at a top-tier level on the D7 DLT Platform

¹ ERC-20 standard smart contract deployed on the D7 DLT Platform serving as a data container that encompasses two main categories of information:
(i) essential identification elements of the issuance of the Digitally Native Securities (incl. ISIN code, issuer name, nominal quantity of the issuance), and
(ii) position keeping information (consisting of a record of token holders and their respective balances)

² Security account within the meaning of the Securities Act 2001



Responsibilities per actor in Traditional Systems

- **LuxCSD** Issuer CSD Securities Settlement System (“SSS”)
- **Spuerkeess (as LuxCSD Principal Agent)** Provider of the mark-up instruction with full issued outstanding amount as book-entry representation of the Digitally Native Security in the LuxCSD SSS
- **Clearstream Banking S.A. (“CBL”)**
 - (1) Holder of the CBL investor account in the LuxCSD SSS which, at issuance, reflects the Digitally Native Security held in the CBL Immobilized Wallet in the D7 DLT Platform
 - (2) Facilitator as ICSD for international distribution
- **Spuerkeess (as Settlement Lead Manager)** Holder of the SLM account in CBL SSS, at issuance full issued outstanding amount transferred from the LuxCSD Principal Agent account
- **Spuerkeess (as Paying Agent)** Agent acting throughout the entire lifecycle of the Digitally Native Security, responsible for payment administration, coupon and redemption payments, corporate actions and coordination with the relevant market infrastructure
- **Euroclear Bank** Facilitator as ICSD for international distribution
- **Bank Syndicate / Dealers** Counterparties (as CBL or Euroclear Bank clients) subscribing for the Digitally Native Security via CBL or Euroclear Bank SSS against the Settlement Lead Manager account
- **Investors** Counterparties (as CBL or Euroclear Bank clients) subscribing for the Digitally Native Security against the Bank Syndicate / Dealers account(s)



Benefits of a DLT native benchmark bond

Benefits

Seamless access to digital securities

No change to existing settlement infrastructure

No operational disruption

No additional adoption costs

Future readiness

Data integrity and **golden source**

Value for investors

Investors access tokenized bonds through their existing custodian and ICSD services

Existing settlement processes, accounts and connectivity continue to be used

No wallet, private key management or direct blockchain connectivity is required

No direct DLT integration is required on investor side

Gain exposure to digitally native securities today, while positioning to benefit from future DLT-based capabilities

The DLT provides a single and immutable source of issuance and instrument data, improving data consistency across the value chain.



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