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## 2025 Banking Spotlight

An in-depth look at  
Luxembourg's banking sector

December 2025

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“The future of banking waits for no one. Those that prioritize transforming today will become the leaders of tomorrow.”

**Pascal Martino**  
Banking Leader & Business Transformation Leader



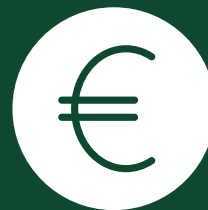
**€18.2B**

Total net revenue



**117**

Credit institutions\*



**€9.8B**

Profit before provisions and taxes



**26,150**

Full-time employees



**11%**

Return on equity



**46%**

Cost-to-income ratio

**Source:** Deloitte analysis, based on 2024 data reported by the Commission de Surveillance du Secteur Financier (CSSF), the European Central Bank (ECB) and the Banque Centrale du Luxembourg (BCL)

\* The Commission de Surveillance du Secteur Financier (CSSF), *Newsletter No.297*, October 2025, p.17. Note: 117 institutions include 47 branches and 70 banks

# Executive summary

Luxembourg's banking sector is profitable and resilient. Our independent analysis indicated profit before provisions and taxes of €9.8Bn, with net revenue growing at a 12% compound annual growth rate (CAGR) from 2020–2024, and a cost-to-income ratio of 46% in 2025. The return on equity (ROE) reached 11%, highlighting strong profitability. Momentum remains positive.

Between 2023 and 2024 alone, total assets grew by 0.9% to €937.5Bn, net revenue rose by 4.5% to €18.2Bn, commission income climbed 9.4%, net interest income increased by 4.4% and ROE improved by one percentage point to 11%. Together, these trends reinforce **the Grand Duchy's status as a safe, globally connected financial hub.**

Luxembourg's banking sector is also well-positioned: renewed, secure, and staffed expert teams, it serves as a cross-border gateway to Europe that can fully capitalize on regional and global growth.

**However, the banking sector is at a turning point,** facing declining interest rates, rapid technological innovation, regulatory change, shifting client expectations, margin pressure, increasing costs, geopolitical uncertainties and increasing competition—particularly from digital-native new entrants in Luxembourg and worldwide.

The question is no longer whether to act, but how quickly banks must transform to secure their relevance in the future. Historically resilient and stable, **Luxembourg's banks stand at a strategic crossroad: bold actions are needed** today to seize the opportunities of tomorrow.

## Top 12 imperative actions for Luxembourg banks to pursue

### “Smart” business growth

- 1. Simplification:** Focus on core business, divest non-core activities and simplify operations.
- 2. Democratization:** Facilitate investment access for the mass affluent and democratize alternative asset classes.
- 3. Distribution and scale:** Leverage Luxembourg’s cross-border frameworks for EU-wide reach.

### Operational efficiency

- 4. Cost reduction:** Conduct a structural cost review, addressing cost-intensive processes and structural inefficiencies.
- 5. Operational efficiency:** Automate processes using intelligent automation and a ZeroOps approach.
- 6. Operational resilience:** Strengthen operational resilience and protect against cyber risks.

### Digital and AI

- 7. AI:** Deploy targeted AI agents to enhance efficiency, productivity and experience with customization at scale.
- 8. Digital:** Redesign end-to-end customer journeys with digital, seamless and personalized experiences.
- 9. Modernization:** Modernize technology stacks including systems, infrastructure and robust data governance.

### Workforce transformation

- 10. Workforce planning:** Review current staff base and define an appropriate sourcing strategy (e.g., outsourcing, nearshoring, offshoring).
- 11. Recruitment and retention:** Attract and retain talent through attractive factors beyond compensation such as purpose, flexibility and growth opportunities.
- 12. Upskilling:** Train staff and develop the required skills and capabilities critical for the bank’s future.

# I. Luxembourg banking pulse

Profits increased and banks registered a solid performance despite macroeconomic headwinds

Costs increased too, but at a slower pace compared to revenue

**Between 2020 and 2024, Luxembourg's banking market experienced steady growth.** According to the latest CSSF annual,<sup>1</sup> the banking sector showed solid performance, with **profits before provisions and taxes amounting to €9.8Bn in 2024**. In this period, the overall net revenue<sup>2</sup> of banks registered an increase of 12%<sup>3</sup> per year on average, driven by previously high interest rates, credit volume and wealth management demand. Return on equity (ROE) increased from 5% in 2020 to 11% in 2024.

Between 2023 and 2024, **net revenue grew by 4.5%, rising from €17.4Bn to €18.2Bn, while costs remained stable at €8.4Bn**. Despite the challenging environment, banks have generally been effective in managing costs through improved operational efficiency; the sector's cost-to-income ratio decreased from 60% in 2020 to 46% in 2024.

From 2023 to 2024, the market increased with assets up by 0.9% to **€937.5Bn** and net revenue up by 4.5% to **€18.2Bn**. Growth was supported by higher net commission income and net interest income, both which rose by 9.4% and 4.4% respectively. ROE increased by one percentage point to 11%, while cost-to-income ratio decreased by two points to 46%, driven by revenue growing at a faster rate than costs. Luxembourg banks' average ROE remained above EU average of 9.5%.<sup>4</sup>

1. Commission de Surveillance du Secteur Financier, [Annual report](#), 28 August 2025, p. 42

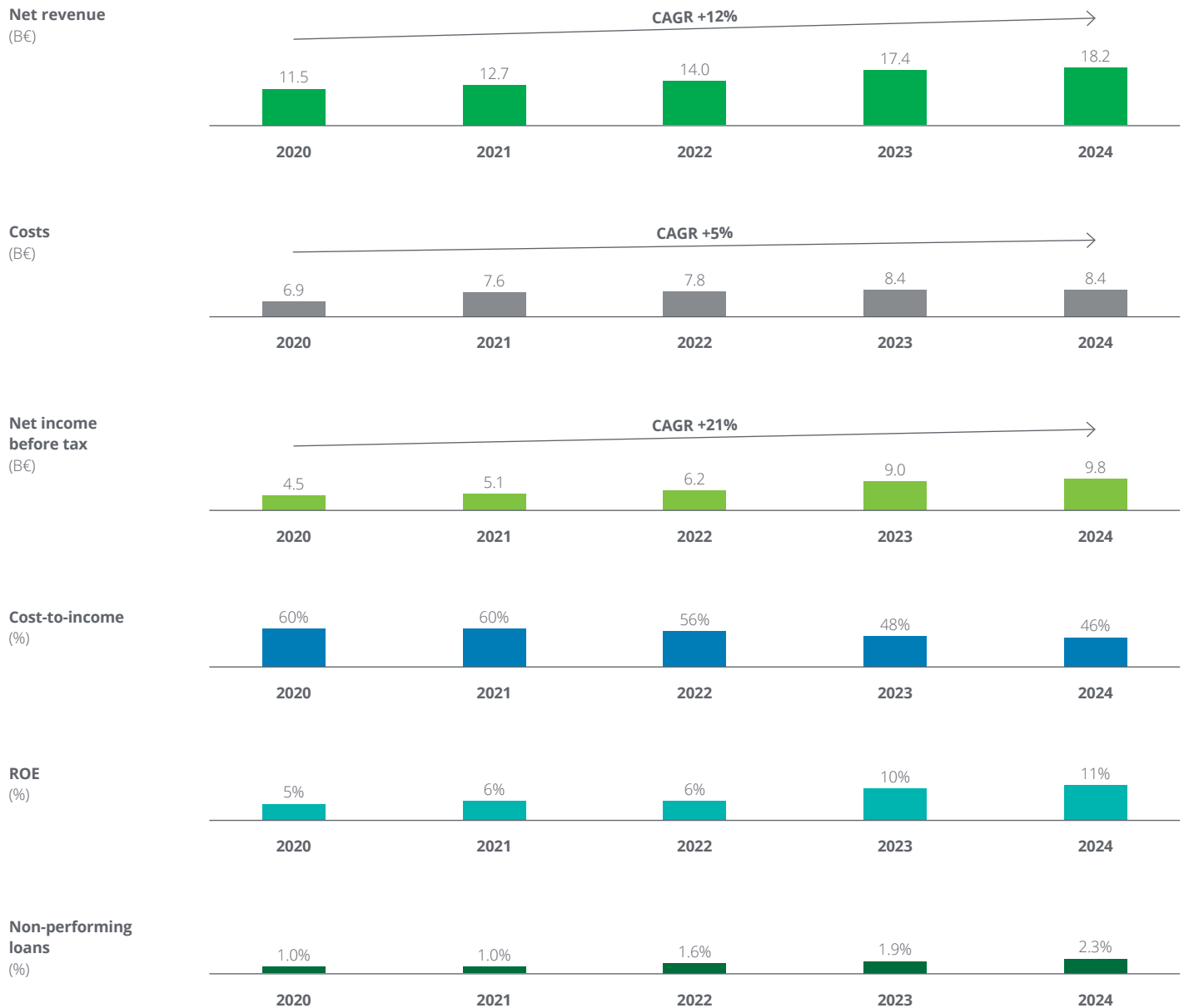
2. Total net revenue = net interest income + net commission and trading income + other income

3. Based on the CAGR for the period 2020–2024

4. European Central Bank, [Supervisory Banking Statistics for significant institutions: Fourth quarter 2024](#), March 2025, p. 2.

**Figure 1. Banking market trends**

Banking profitability increased mainly driven by revenue growth and past high interest rates



Source: CSSF, BCL

## Luxembourg's banking market is evolving

### Market consolidation among fewer, stronger players

Between 2020 and 2024, banks in Luxembourg implemented multiple wage indexations and invested in IT modernization and digitalization. Compliance costs also rose, amid tighter regulatory oversight. As a result, **overall costs have increased by 5% per year on average** over this period.

As a result, banks have been responding through **strategic consolidation**. The number of credit institutions in Luxembourg declined from 128 in 2020 to 117 in 2025. This reduction was primarily driven by profitability pressures, which encouraged mergers, group reorganizations or withdrawals from the market. However, assets have remained within Luxembourg rather than migrating to competing financial hubs. Average assets per institution **rose from €6.6Bn in 2020 to €8.3Bn in 2025**, demonstrating the **market's consolidation** into fewer larger players.

### New entrant attraction

Luxembourg registered **18 new credit institutions**, including both banks and branches, over the period 2020–2025, underscoring Luxembourg's continued appeal as a hub for wealth management, custody and cross-border services. One of the key trends is that some EU Member States facing political and economic uncertainty perceive Luxembourg as a safe haven, a perception that reinforces its competitiveness, resilience and attractiveness.

### Profitability pressures amid interest rate declines

Falling rates are eroding traditional revenue streams, forcing banks to adapt quickly with innovative strategies to sustain margins. In this challenging environment, modernizing operations, leveraging technology and optimizing efficiency are critical for banks to continue to be resilient and survive.

### Banking trends shaping tomorrow

It is widely recognized that key trends are reshaping the banking industry, such as new regulations, rapid technological advances, changing client expectations, rising competition and economic pressures. These shifts create both challenges and opportunities, pushing banks to be more innovative and digital, while diversifying revenue and building long-term resilience.

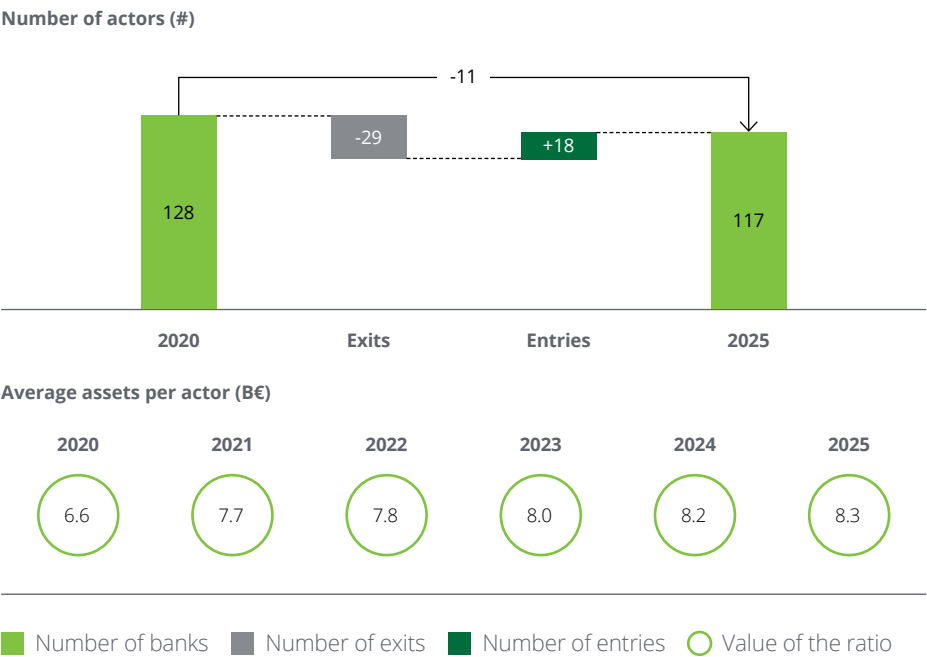


### Why this matters for banks

The Luxembourg banking sector has experienced a temporary boost from higher interest rates. Profitability is increasingly constrained by rising costs, while the interest-rate tailwind is fading. To sustain growth, banks must adapt proactively rather than passively riding the cycle.

Figure 2. Banking market consolidation

The banking market is consolidating with fewer and larger actors aiming to increase scale and profitability



Source: Deloitte analysis from data made publicly available.





# II. Time to act

Revenue under strain,  
balancing rising costs with  
operational efficiency

Revenue pressures are mounting, demanding immediate action to balance declining margins and rising costs. Using Bankview,<sup>5</sup> Deloitte Luxembourg's benchmarking and forecasting tool, the projections reveal that banks face urgent challenges. The model, anchored in historical data and key macroeconomic indicators such as gross domestic product (GDP) growth, inflation and interest rates, highlights a tightening environment ahead.

With **59% of revenue tied to net interest income**, banks are highly exposed as lower interest rates compress margins and amplify dependence on traditional lending. This vulnerability, coupled with heightened credit risk, geopolitical instability, and a weakened real estate market, is eroding growth prospects. Intensifying competition and undifferentiated offerings only accelerate the squeeze.

At the same time, **rising costs** from inflation, compliance, cybersecurity, fraud prevention, and anti-money laundering (AML) obligations, alongside outdated IT systems and talent pressures, are undermining resilience. Rapidly evolving technologies and escalating cyber threats further strain operations, leaving no room for delay.

Without decisive  
action now, profitability  
will erode

**To sustain growth**, banks must diversify beyond interest income: historically, Luxembourg has delivered highly personalized experiences, particularly in private banking, necessitating costly back-end adaptations. Today's technology creates a unique opportunity to scale and systematize that customization. In addition, by turning private-banking expertise into standardized, configurable building blocks and delivering them through digital channels, banks can offer genuinely customized portfolios to far more clients, bringing private-banking quality to the mass-affluent in a way that is scalable and economically sustainable.

In the coming years, significant asset inflows are expected notably from mass-affluent clients, driven by stability concerns in their home markets and Luxembourg's reputation as an AAA-rated jurisdiction.

5. Bankview is the benchmark tool from Deloitte Luxembourg, offering insights into the Luxembourg banking sector. Further details are provided in the next section.

**Figure 3. Future outlook for banking**

Declining interest rates and rising costs are pressuring banks' margins and profitability



Source: Deloitte analysis from data made publicly available.



## Why this matters for banks

Banks will most probably face revenue strain. To curb rising costs, players must focus sharply on growth strategies and operational efficiency. The future banking landscape will also be shaped by rapid innovation, AI adoption and evolving client expectations: staying relevant requires banks to pave the way for new paradigms.

# III. Strategic imperatives for banks

**Future success starts with knowing today's baseline.** Before pursuing any strategic imperative, leadership needs a precise view of performance: a normalized revenue and cost baseline, a clear position versus the broader market and versus peers (universal, corporate, depository and private banks), and an evidence-based diagnosis of gaps. It is equally critical to understand what the outperformers of a given cluster are already doing to be able to replicate what works and avoid what does not, eventually helping separate the winners from the losers.

**Using Bankview, the data from 67 banks was analyzed for baseline insights.** This allowed for an in-depth review of various institutions, allowing for easy comparison against peers and performance clusters (growth and ROE), quantifying improvement areas across revenue and cost, and identifying the concrete initiatives that drive impact.

## Turning data into decisions

To enable banks to prioritize their “next business move”, the following steps should be taken:

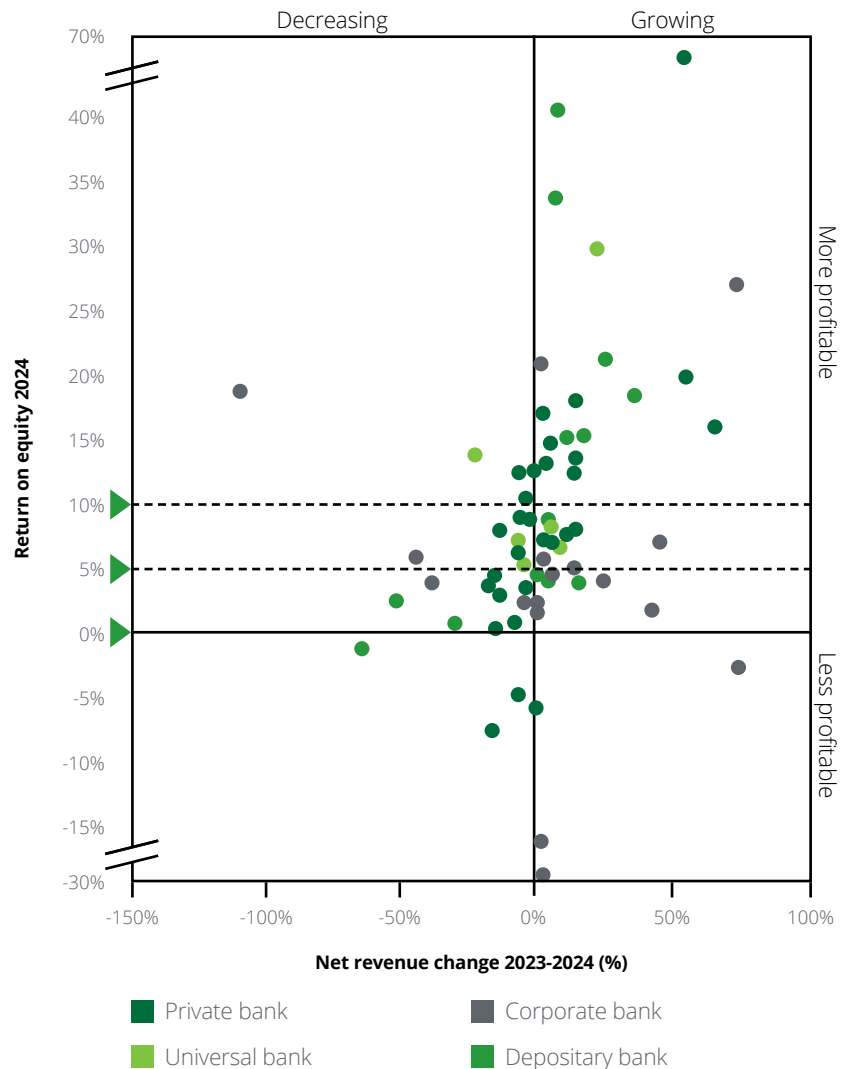
- 1. Set and validate the baseline:**  
Quantify the normalized operating revenue and cost lines with sufficient granularity (e.g., by business unit, product, client segment, and location/branch). Ensure consistency in allocations and definitions and have leadership sign off on the numbers, drivers, and assumptions to create a single source of truth for decisions.
- 2. Compare against peers:** Use peer groups by bank type and performance clusters (growth and ROE) for comparisons; distinguish structural gaps from execution gaps.
- 3. Map initiatives and opportunities:** Identify specific projects with measurable impact (e.g., fee-income expansion, product shelf rationalization, managed services, AI-enabled operations), and link each to quantified revenue uplift, cost reduction and timeline.

**Anchored in a robust benchmark and a validated baseline, execution becomes faster, less costly, and lower risk—**enabling banks to leverage Luxembourg’s strengths to defensible margins and cross-border scale.

With proper peer positioning and mapping of initiatives, banks can confidently pursue their strategic needs across business growth, operational efficiency, digital and AI, and workforce transformation.

**Figure 4. Luxembourg banks competitive positioning**

From Deloitte Bankview



Source: Deloitte analysis from data made publicly available.

## 1. “Smart” business growth

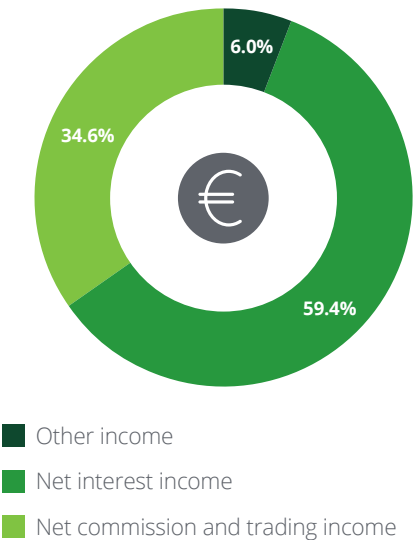
Three main forces are colliding in the European banking industry: (1) rising sophistication in products, operating models and client expectations; (2) persistent high barriers to entry into alternative products for some clients; and (3) persistent compression in pricing. In Luxembourg, where banks operate at the nexus of cross-border wealth, fund servicing and institutional finance, this collision is a catalyst. In addition, as per Deloitte Bankview's benchmark, bank revenues in 2024 were overly dependent on traditional net interest income, which represented 59% of revenue. However, this will naturally decrease with lower interest rates; therefore, banks must pursue a “smart” business growth strategy and increase revenue to ensure long-term sustainability.

### 1. Simplification: Focus on growing core business, divest non-core activities and simplify operations

Banks should rationalize product shelves and geographic footprints, exiting non-core activities that add risk as well as cost, and concentrate efforts, talents, and investments where they deliver the greatest value. To enable this shift, banks should consider selectively outsourcing and co-sourcing non-differentiating functions (e.g., back-office processing, regulatory reporting, cyber). Another option is to divest non-core front activities by selling them to market specialists, while doubling down on core strengths and tilting the portfolio toward growth opportunities such as semi-liquid private markets, embedded finance and fee-based advisory.

Additional winning routes can focus on diversification: (i) Create revenue beyond net interest income (NII) through subscriptions, platform fees, data services and outcome-based advice, while developing adjacent businesses from the core that reuse existing capabilities for scale. (ii) Build high-margin offerings with differentiated products, disciplined pricing, and digital operating efficiency and target microsegments with unmet needs using personalized journeys and modular bundles (e.g., first-time alternatives investors, cross-border professionals, small online merchants).

Figure 5. Luxembourg banks revenue breakdown (2024 data)



Source: Deloitte analysis from data made publicly available.

Figure 6. Luxembourg banks revenue/profitability KPI  
From Deloitte Bankview (2024 figures)

Bank clusters	Revenue change 2023-2024 (%)	Revenue per FTE (k€/FTE)	ROE (%)
Private bank	11.5%	541	10%
Universal bank	2.3%	548	8%
Corporate bank	8.7%	1,172	7%
Depository bank	9.3%	1,034	19%

Note: Total may not sum up due to rounding.  
Source: Deloitte analysis from data made publicly available.



## 2. Democratization: Facilitate investment access for the mass affluent and democratize alternative asset classes

Banks in Luxembourg can adopt a bank-as-platform model to “retailize” private markets via the amended European Long-term Investment Fund (ELTIF 2.0) Regulation, and other flexible structures, expanding access to private equity, private credit, and real assets through digital-first services at lower cost. Lower minimums, semi-liquid designs, and transparent, predictable liquidity mechanics broaden everyday participation with suitability built into the journey. Onboarding, education, and servicing should be embedded, while collaborations with alternative managers and the local ecosystem ensure control and compliance at scale. Advanced analytics can personalize modular bundles for underserved mass-affluent clients seeking stability in an AAA-rated jurisdiction, backed by robust anti-money laundering (AML) and Know Your Customer (KYC), and investor protection aligned to Luxembourg’s regime. Together, these steps turn sophistication into accessible value for broader audiences.

## 3. Distribution and scale: Leveraging Luxembourg’s cross-border frameworks for EU-wide reach

Luxembourg’s cross-border framework and passporting via the following funds enable EU-wide reach: undertakings for collective investment in transferrable securities (UCITS), alternative investment funds (AIFs), reserved alternative investment funds (RAIFs) and European long-term investment funds (ELTIFs). However, pricing pressure from higher deposit betas, fee transparency, and platform competition demands disciplined, data-driven pricing

and sharper product positioning. Rising sophistication—seen in semi-liquid structures, multi-jurisdiction servicing, AI-enabled compliance and omnichannel advice—requires co-sourcing, managed services, and cloud-native data platforms to standardize processes and reduce unit cost while maintaining control and compliance. Combining scale efficiency with specialist experience turns complexity into efficiency and helps preserve margins under institutional-grade client expectations.

### A practical agenda for Luxembourg banks:

- Diagnose margin compression: Analyze segment and products, identify strongest edge, and reallocate capital and leadership.
- Rationalize shelves: Exit non-core activities and use carve outs and partnerships for speed and focus.
- Build bank-as-a-platform: Partner with alternative managers and embed onboarding, education, and servicing for retail grade resilience.
- Industrialize the backbone: Adopt co-sourcing and managed services to cut unit cost, improve control and accelerate change.
- Leverage Luxembourg’s cross-border framework: Structure to align product, distribution and servicing across markets under one credible regime.

### Leverage Luxembourg’s ecosystem

**for safe scale:** Banks can rely on a resilient economy, predictable rule of law, and mature supervision that supports innovation with control. Together with the EU passporting framework and Luxembourg’s established fund regimes,

the country’s multilingual professionals and dense network of specialists—depositaries, administrators, transfer agents, auditors, legal advisors, and RegTech/FinTech partners—underpin sophisticated fund structuring and servicing across markets. Such flexible vehicles and frameworks allow banks to align governance, liquidity, and tax-neutral design with investor needs while advancing credible innovation within robust AML, KYC, and investor protection requirements.

### The moment rewards decisive banks:

Those that turn sophistication into accessible value, convert complexity into strategic focus and scale Luxembourg’s strengths across borders. With the right partnerships and operating leverage, Luxembourg’s banks can deliver the next generation of trusted, differentiated offerings—at prices clients embrace and margins businesses can sustain.

## 2. Operational efficiency

In 2025, Luxembourg's banks have faced increasing structural cost pressures driven by rising expenses, stricter regulatory requirements, and elevated customer expectations. Profitability now relies on cost transformations rather than temporary measures. Banks must adjust their operating models to remain competitive, and invest in technology, robustness and client service.

Personnel expenses, accounting for 42.9% of total Opex, steadily increased due to wage indexation, while technology, compliance, and vendor services have also become increasingly expensive. To respond, banks should act on:

### **1. Cost reduction: Conduct a structural cost review, addressing cost-intensive processes**

Initiate with mapping and analyzing high-volume, resource-intensive processes that often involve substantial manual effort, redundant checks, and unclear transitions—such as onboarding, KYC/AML, client reporting, and trade settlement. From there, develop a tailored optimization program that may include eliminating manual hand-offs and redundant checks, defining clear exception paths, building automation-first workflows, centralizing routine administrative tasks, or relocating them to more cost-effective locations. Finally, embed cost KPIs and regular performance reviews to track progress and guarantee sustained efficiency.



2. Operational efficiency: Automate processes using intelligent automation and ZeroOps

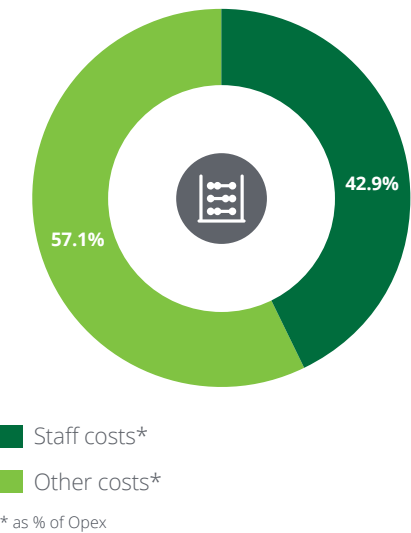
Following process redesign, automation can deliver durable savings by digitizing repetitive, rule-based tasks such as data validation, transaction monitoring, and compliance checks. Technologies like machine learning can detect payment irregularities or support credit assessments, while natural-language recognition can expedite contract and report processing. Converting manual tasks performed by nearshore teams into automated workflows through ZeroOps—an approach entailing self-monitoring and self-scaling systems—significantly reduces IT and operational costs, minimizing downtime.

3. Operational resilience: Strengthen operational resilience while protecting against cyber risks and fraud

Modernizing old systems, merging platforms, and incorporating real-time monitoring both enhances efficiency and fortifies resilience. A devoted transformation office should monitor KPIs like cost-to-income ratios, employee productivity, automation levels, and vendor expenses. Boosting cybersecurity with automated threat detection, comprehensive training, and vendor management mitigates risks and prevents costly setbacks. Regular scenario testing for potential cyberattacks or system disruptions supports continuous operations without unnecessary expenses.

Banks in Luxembourg can turn efficiency into a strategic advantage by combining cost discipline, automation, and resilience. Acting now will safeguard profit margins and capital flexibility, preserve the client experience, liberate resources for innovation, and maintain lasting competitive edge in a rapidly evolving financial sector.

Figure 7. Luxembourg banks cost breakdown (2024 data)



Source: Deloitte analysis from data made publicly available.

Figure 8. Luxembourg banks cost KPI  
From Deloitte Bankview (2024 figures)

Category of banks	Total costs change 2023-2024 (%)	Cost-to-income (%)	Cost-to-assets (%)
Private bank	+1%	67%	1%
Universal bank	+4%	49%	1%
Corporate bank	+5%	38%	1%
Depository bank	+2%	52%	3%

Note: Total may not sum up due to rounding.  
Source: Deloitte analysis from data made publicly available.

### 3. Digital and AI

Technology, data and AI are now the main drivers of competitive advantage. Most banks in Luxembourg have yet to achieve real scale in these areas, making systematic transformation urgent. To integrate AI successfully, banks should assess three distinct layers: client experience (digital and physical), product offering and internal operations. These layers will rest upon solid governance, a foundation of data architecture and a technology stack.

#### 1. AI: Deploy targeted AI agents to enhance efficiency, productivity and customization at scale

Banks must modernize core banking systems and middle-office processes through system upgrades, cloud migration and architectures enabled by application programming interfaces (APIs), overhauling dated data management practices and architecture. They need to deploy robust AI models with strong data governance, setting clear policies, security guardrails, and centralized risk monitoring. Ensuring high data quality and consistent governance practices is critical to making AI outputs

reliable and actionable. This foundation will enable secure, consistent and trustworthy AI delivery, reinforcing compliance and strengthening client trust across the organization.

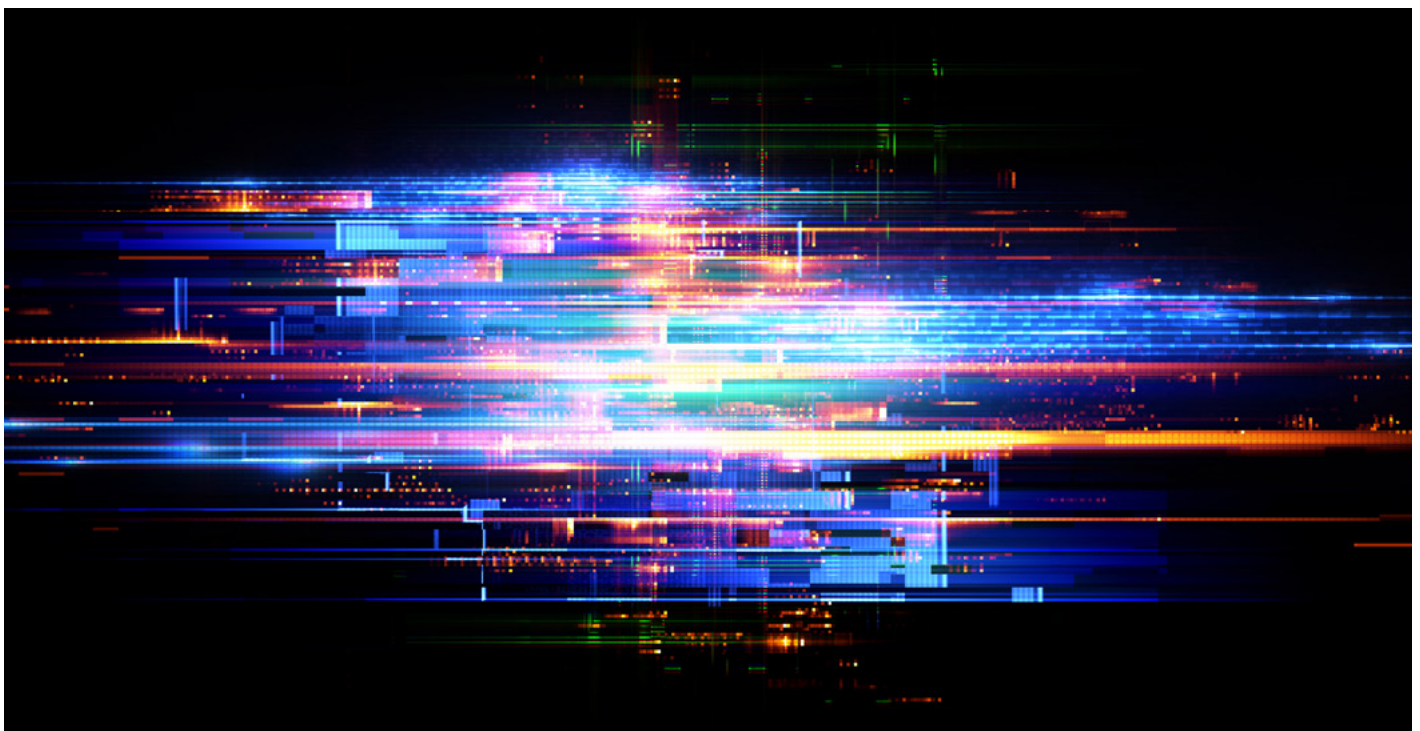
#### 2. Digital: Redesign end-to-end customer journeys with digital, seamless and personalized experience

Banks need to redesign their end-to-end digital customer journeys to enable seamless, self-service interactions across multiple channels. Multi-modal interactions should combine digital platforms with conversational AI chatbots that guide customers through their queries while providing effortless escalation to human agents when needed. AI will also empower banks with deeper client intelligence—delivering personalized advice, automated KYC/AML processes, enhancing compliance monitoring and generating predictive insights that anticipate client needs across retail, private and corporate banking.

#### 3. Modernization: Upgrade technology stack with new systems, infrastructure and robust data governance

By deploying advanced analytics, banks can increase sales effectiveness through next-best-product recommendations informed by customer behavior and needs, while applying dynamic pricing and AI-driven decision-making across credit scoring, pricing, fraud detection and portfolio management. AI can also empower relationship managers with a 360-degree customer view and automated documentation of meeting notes and client preferences.

Additionally, AI enables the democratization of scalable advisory services—from robo-advisory products and AI-investors to wealth, treasury, and personal finance management copilots. The introduction of adaptive financial products and AI-powered offerings that extend beyond traditional banking will help institutions meet customers' increasingly hyper-personalized expectations.



## 4. Workforce transformation

The banking sector in Luxembourg faces a convergence of structural and talent-related challenges that directly impact growth, compliance and innovation agendas.

As financial institutions continue to navigate cost pressures, digital transformation and regulatory change, workforce strategy has emerged as a critical lever of competitiveness. Optimizing talent deployment enhances efficiency and productivity, reducing operational costs, which increases profitability; and strengthening resilience and strengthening resilience to withstand market fluctuations and regulatory pressures.

### 1. Workforce planning: Review current staff base and define appropriate sourcing strategy

Rising staff costs, local talent scarcity, and the demand for operational agility are driving a shift toward integrated workforce planning and diversified sourcing models. Institutions should explore offshoring, nearshoring, shared service centers, and selective outsourcing to balance cost efficiency with control and regulatory compliance. A structured, analytics-driven workforce planning process ensures the right capabilities are in the right locations at the right time while reducing cost-to-serve.

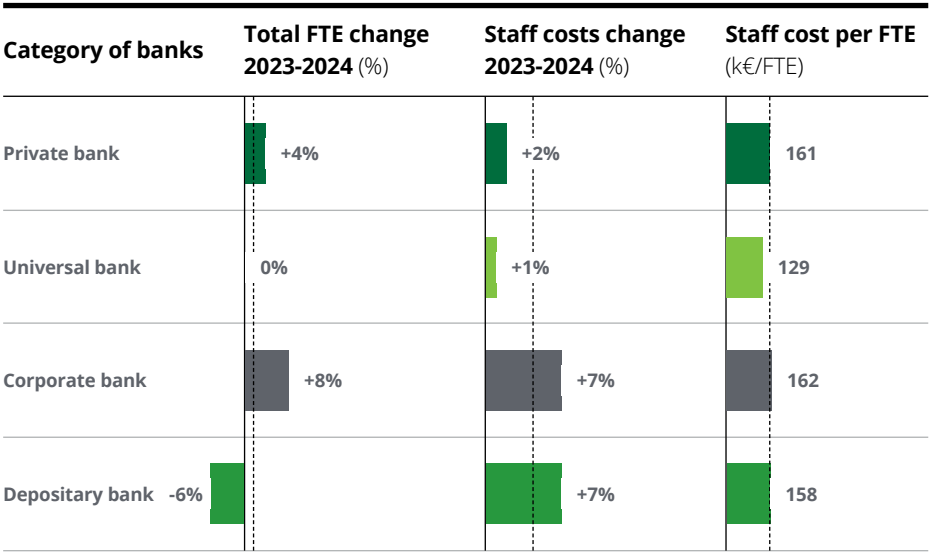
### 2. Recruitment and retention: Compete for talent with a stronger employee value proposition

Competition for high-value profiles—particularly in risk, compliance and digital—is intensifying. To attract and retain talent, banks must go beyond compensation, clarifying purpose, offering career mobility, and embedding flexible ways of working. The upcoming EU Pay Transparency Directive<sup>6</sup> further raises expectations around fairness and communication. Banks can prepare by reviewing pay structures, ensuring fairness across roles and building capability to communicate transparently.

### 3. Upskilling: Train staff and develop the skills and capabilities critical for the bank of the future

AI, automation, and evolving regulations are reshaping roles faster than banks can hire. The focus is shifting to identifying future critical capabilities—technical skills such as data analysis, AI, cybersecurity, alongside human skills like analytical thinking, curiosity, resilience, problem-solving, adaptability, and collaboration. Investment in training and upskilling equips employees for emerging roles, enhances internal mobility, and boosts organizational agility, all essential for maintaining performance in a rapidly evolving market.

**Figure 9. Luxembourg banks performance by cluster**  
From Deloitte Bankview (2024 figures)



6. Directive - 2023/970 - EN - EUR-LEX. (s. d.).  
<https://eur-lex.europa.eu/eli/dir/2023/970/oj/eng>

Note: Total may not sum up due to rounding.  
Source: Deloitte analysis from data made publicly available.

# IV. Conclusion

**Banks cannot afford to stand still: tomorrow depends on the choices made today.** To align with the strategic agenda and meet shareholder expectations, leaders must act on the top 12 actions outlined in the executive summary.

Yes, the sector begins from a position of strength with an 11% ROE and a 46% cost-to-income ratio. Yet, with interest rate tailwinds fading, industry consolidation accelerating, and rising costs and regulatory demands tightening margins, decisive execution has become essential.

**Luxembourg's distinct advantage** lies in **industrializing its historic strength in tailored private-banking experiences.**

As a trusted EU hub with a stable political environment and world-class regulatory frameworks, the country provides an ideal platform for cross-border innovation and client confidence. By transforming this expertise into configurable, digital building blocks, banks can extend private-banking quality across larger portfolios, capturing the growing mass-affluent segment seeking stability in an AAA-rated jurisdiction.

Translating mastery of complex processes into automation also allows a progressive shift from near- and offshore execution of repetitive tasks to technology, delivering bespoke services at scale with sustainable economics.

**Winning institutions will combine business growth, operating leverage, and disciplined technology delivery:**

- **Refocus on core strengths:** Adopt bank-as-a-platform models and leverage Luxembourg's cross-border framework and fund regimes to scale safely.
- **Optimize costs and operations:** Run structural cost programs grounded in governance, map value streams, and redesign before automating.
- **Modernize technology:** Upgrade cores, cloud infrastructure, APIs, and data governance to enable trusted AI and omnichannel client journeys.
- **Transform the workforce:** Implement integrated workforce planning that prioritizes upskilling and accountable leadership.

Institutionalized and measured with clear baselines and metrics, this approach will protect margins, build resilience, and capture cross-border growth in a lower-rate, technology-driven market.

# V. Appendix

## Methodology and data

The data insights listed above were based on the findings of Deloitte Luxembourg's Bankview benchmark tool,<sup>7</sup> which analyzed a representative sample of 67 banking entities (SA) established in Luxembourg excluding branches. The insights are based on companies' financial statements up to fiscal year 2024. The analysis is also based on official data and indicators from the CSSF, ECB and BCL.

## Scope

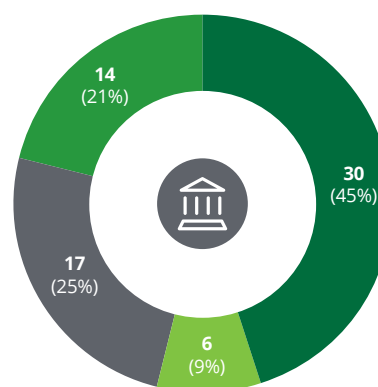
The analysis includes four types of banks operating under a full banking license in Luxembourg: private, universal, corporate and depositary banks. It assesses key areas such as financial performance, market structure, operational efficiency, and strategic transformation trends.

## Additional information on Bankview

Developed by Deloitte Luxembourg, Bankview is an internal benchmarking tool that provides a dynamic, comparative view of the Luxembourg banking sector and broader market trends. By combining aggregated financial reports and publicly available data with analytics, it delivers structured insights across multiple dimensions.

**67 banks** in scope of the benchmark:

- Entities (SA), excluding branches
- Banks with public financial statements



- Private bank
- Universal bank
- Corporate bank
- Depositary bank

Source: Deloitte analysis from data made publicly available.

<sup>7</sup> For further details, please refer to [this dedicated article](#).

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