***Press release***

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***Corporate Banking - the 'jewel' of Luxembourg's banking industry?***

* **Corporate Banking Survey event held on 5 April 2022**
* **Survey results, ABBL Corporate Banking Activity Report 2020/2022 and the new Corporate & Institutional Banking ExCo 2022/2024 presented**
* **Luxembourg's Corporate Banking sector: A strong and profitable sector**
* **Growing optimism in the corporate banking segment**
* **Increasing recognition of the significance of innovation and digital transformation**
* **Over-regulation and cybersecurity remain issues to be addressed**
* **Greater innovation is necessary to boost Luxembourg’s overall competitiveness**
* **Total corporate banking revenues from survey respondents hit almost EUR 2.5bn as of end-2020**
* **Respondents represent about 80% of the entire corporate banking market in Luxembourg**

**Press Release, Luxembourg, 06 April 2022**

**On April 5, 2022 the results of the ABBL Corporate Banking Survey were presented at an event held at PwC Luxembourg’s Crystal Park premises. The findings show that Luxembourg's Corporate Banking sector is a strong and profitable sector. “Total corporate banking revenues from survey respondents hit almost EUR 2.5bn as of end-2020. Given that our respondents represent about 80% of the entire corporate banking market in Luxembourg, we extrapolated total revenues for the entire corporate banking sector to be approximately EUR 3.0bn - 58.8% more than in 2016.”**

To uncover the jewel of Luxembourg’s banking industry, PwC Luxembourg and the Association des Banques et Banquiers Luxembourg (ABBL), with the support of the Commission de Surveillance du Secteur Financier (CSSF) and Luxembourg for Finance (LFF), teamed up to conduct the [ABBL Corporate Banking Survey 2022](https://www.pwc.lu/en/banking/corporate-banking-survey.html). The survey was invitation-only, comprising an online qualitative questionnaire for CEOs and a set of quantitative questions addressed to CFOs of ABBL member banks. In addition, a series of virtual or field interviews were organised with those banks.

The survey aimed to take a closer look at the state of the corporate banking segment – considering the sheer scarcity of studies in this area – in order to discover specific challenges and untapped opportunities. Achieving this goal did not come without real challenges, including the lack of a standard definition of corporate banking and the blurred lines between corporate banking and other banking segments, such as investment banking and retail banking. That being said, the study proved to be truly enriching, leading to the identification of a diverse set of business models operated by corporate banks in Luxembourg.

**Luxembourg's Corporate Banking sector: A strong and profitable sector**

The survey revealed that, “Total corporate banking revenues from survey respondents hit almost EUR 2.5bn as of end-2020. Given that our respondents represent about 80% of the entire corporate banking market in Luxembourg, we extrapolated total revenues for the entire corporate banking sector to be approximately EUR 3.0bn - 58.8% more than in 2016.”

The survey unveiled the growing optimism in the corporate banking segment, as well as the increasingly wide-spread recognition of the importance of innovation and digital transformation. Consequently, what is witnessed is that many banks are on the brink of a total transformation journey, marked by a focus on sustainability, digitalisation, and acquiring the right talent. Another key finding is the fact that while Luxembourg’s regulatory ecosystem strongly positions it as a global hub, issues with over-regulation and cybersecurity remain to be addressed if the country is to continue to attract and maintain more global players in corporate banking.

Finally, the results emphasise the need for greater innovation, and highlight how not only banks, but government and regulatory bodies can help to drive this paradigm shift within the corporate banking landscape. The materialisation of this scenario could not only lead to increased operational efficiency, new products and services, but is set to boost Luxembourg’s overall competitiveness as a global hub for one of the most profitable banking segments

[**Jörg Ackermann**](https://www.linkedin.com/in/j%C3%B6rg-ackermann-7643a31/?originalSubdomain=lu)**, Partner, FS Consulting, Banking, PwC Luxembourg**, said: It is important to note that, despite their immense growth prospects and a relatively clear assessment of what is needed to strongly position the sector at both regional and global levels, a number of structural challenges still hinder corporate banks in Luxembourg and pose a barrier to the country’s attractiveness to other EU and non-EU banks. Through our survey, we have been able to identify three main challenges: overregulation, cybersecurity threats and the availability of key skills.”

The survey recorded a relatively high response rate of 66% of all participants at the time of closing – despite being the first of its kind –, with more than half of the corporate banks also providing clear details of their business figures. Collectively, these banks represent about 80% of the corporate banking market in Luxembourg and thus, the market insights presented in this report are representative of the aggregated data and feedback (qualitative and quantitative) obtained from banks’ CEOs and CFOs.

[**Jerry Grbic**](https://www.linkedin.com/in/jerry-grbic-5529a215/?originalSubdomain=lu)**, CEO, ABBL** said: “The high rate of participation makes this survey a one-of-a-kind evaluation that we hope will not only encourage the necessary conversations among industry stakeholders and spur on the innovative drive we are seeing but will also serve as a benchmark for future studies and assessments on the corporate banking sector in Luxembourg.”

You can find the complete results [here](https://www.pwc.lu/en/banking/corporate-banking-survey.html)

**Notes to editors**

**About PwC**

1. PwC Luxembourg ([www.pwc.lu](http://www.pwc.lu)) is the largest professional services firm in Luxembourg with over 2,900 people employed from 82 different countries. PwC Luxembourg provides audit, tax and advisory services including management consulting, transaction, financing, and regulatory advice. The firm provides advice to a wide variety of clients from local and middle market entrepreneurs to large multinational companies operating from Luxembourg and the Greater Region. The firm helps its clients create the value they are looking for by contributing to the smooth operation of the capital markets and providing advice through an industry-focused approach.
2. At PwC, our purpose is to build trust in society and solve important problems. We’re a network of firms in 156 countries with over 295,000 people who are committed to delivering quality in assurance, advisory and tax services. Find out more and tell us what matters to you by visiting us at www.pwc.com and [www.pwc.lu](http://www.pwc.lu).