



Luxembourg, THE international hub for financial services



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Luxembourg for Finance

Agency for the development of the financial centre

- 50 % Luxembourg State
- 50 % PROFIL (Financial sector holding)

Main targets

- Customers & potential customers
- Investors
- Media
- Human Resources

The Luxembourg financial centre

... at a glance :

- Europe's number one investment fund centre (number 2 worldwide behind the US)
- N° 1 wealth management centre in the Eurozone
- Europe's leading domicile for captive reinsurance companies

Luxembourg: financial centre, but also...



Competitive environment

International competitiveness indicators	Source	Ranking Luxembourg	Analysed locations/countries
Growth Environment Score (GES)	Goldman Sachs, 2005	1	170
Global Competitiveness Index	IMD Lausanne, 2008	5	55
Growth Competitiveness Index (GCI)	World Economic Forum, 2007	25	131
Index of Economic Freedom	Heritage Foundation, 2008	15	157
Regional European Competitiveness Index	Robert Huggins associates, 2006	6	118

The Luxembourg financial centre

Banks

152

Investment funds

> 3,400

Insurance

Life : 54

P&C : 37

Reinsurance : 262

Professional intermediaries

(asset managers, brokers, transfer agents...)

> 260

The Luxembourg financial centre

■ Employment

Direct employment

44,000

Indirect employment

27,000



The Luxembourg financial centre

■ Main characteristics :

- Political and social stability
- Modern legal and regulatory environment
- Highly international
- Diversified
- Multicultural and multilingual workforce
- Highly specialised service providers

Luxembourg : well regulated

EU member state → **EU Directives**

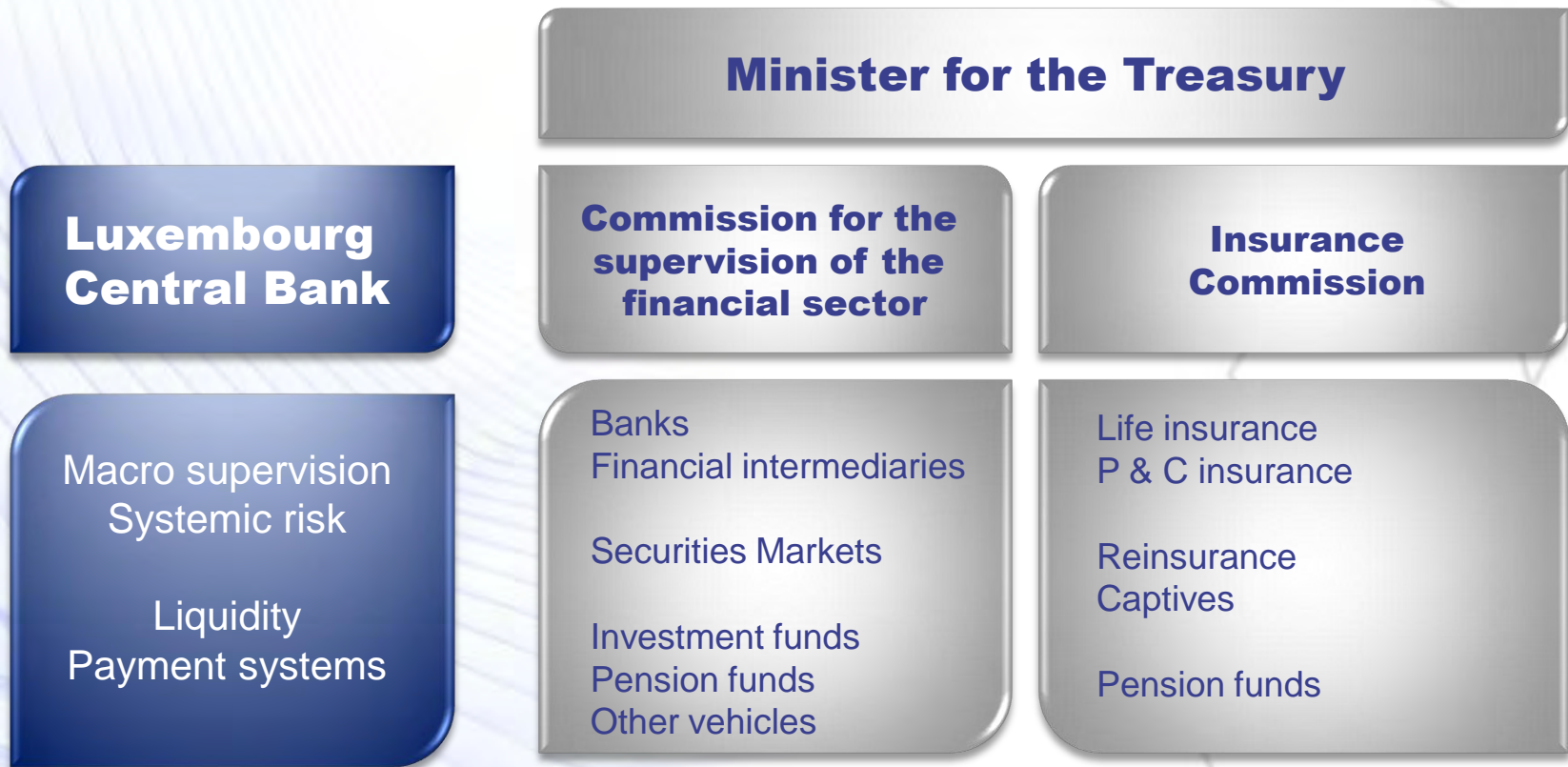
“Local” laws and regulations

- Access to professional activities in the financial sector
- Anti-money laundering legislation
- Legal framework for specific products

→ **Flexibility**

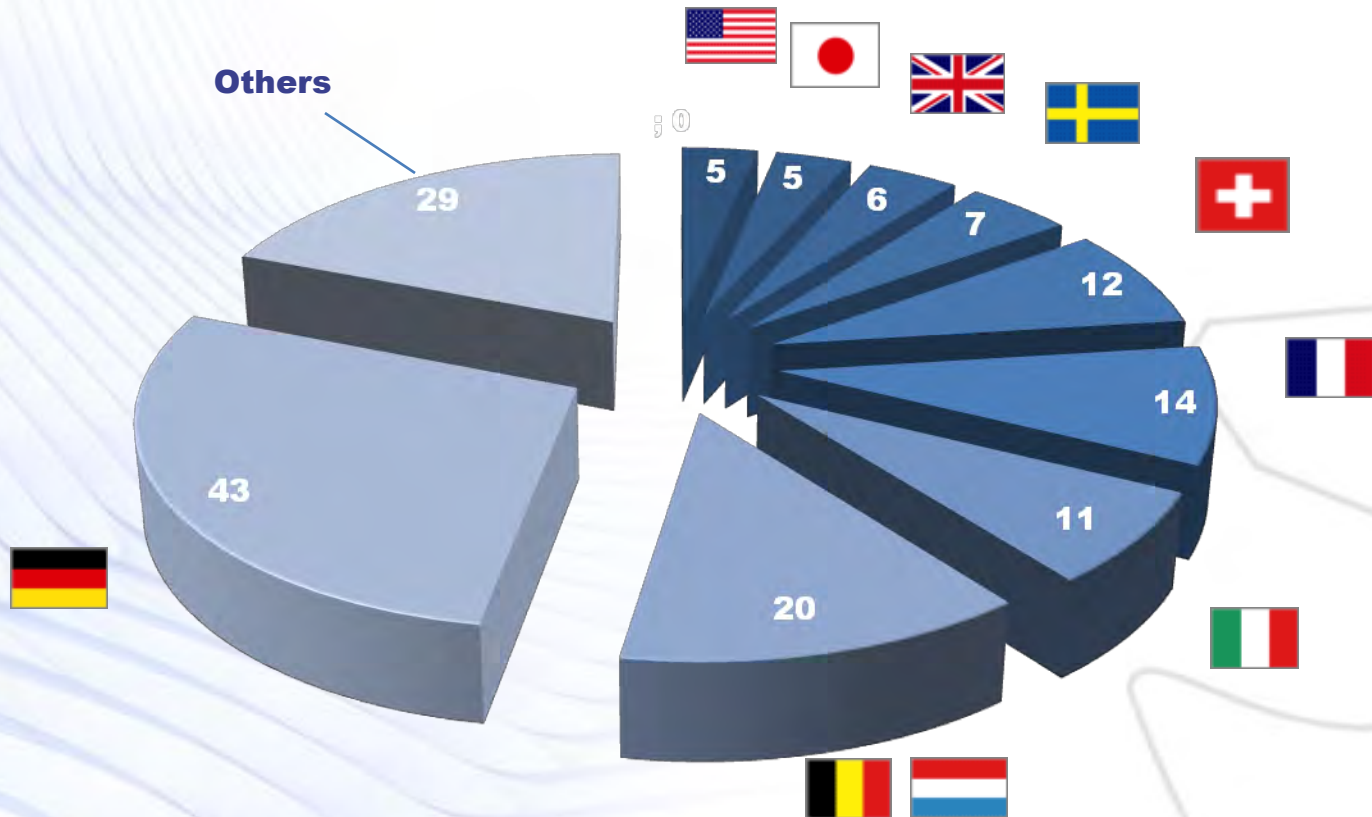
→ **Tailor made financial products and services**

Luxembourg : well regulated



Luxembourg : highly international

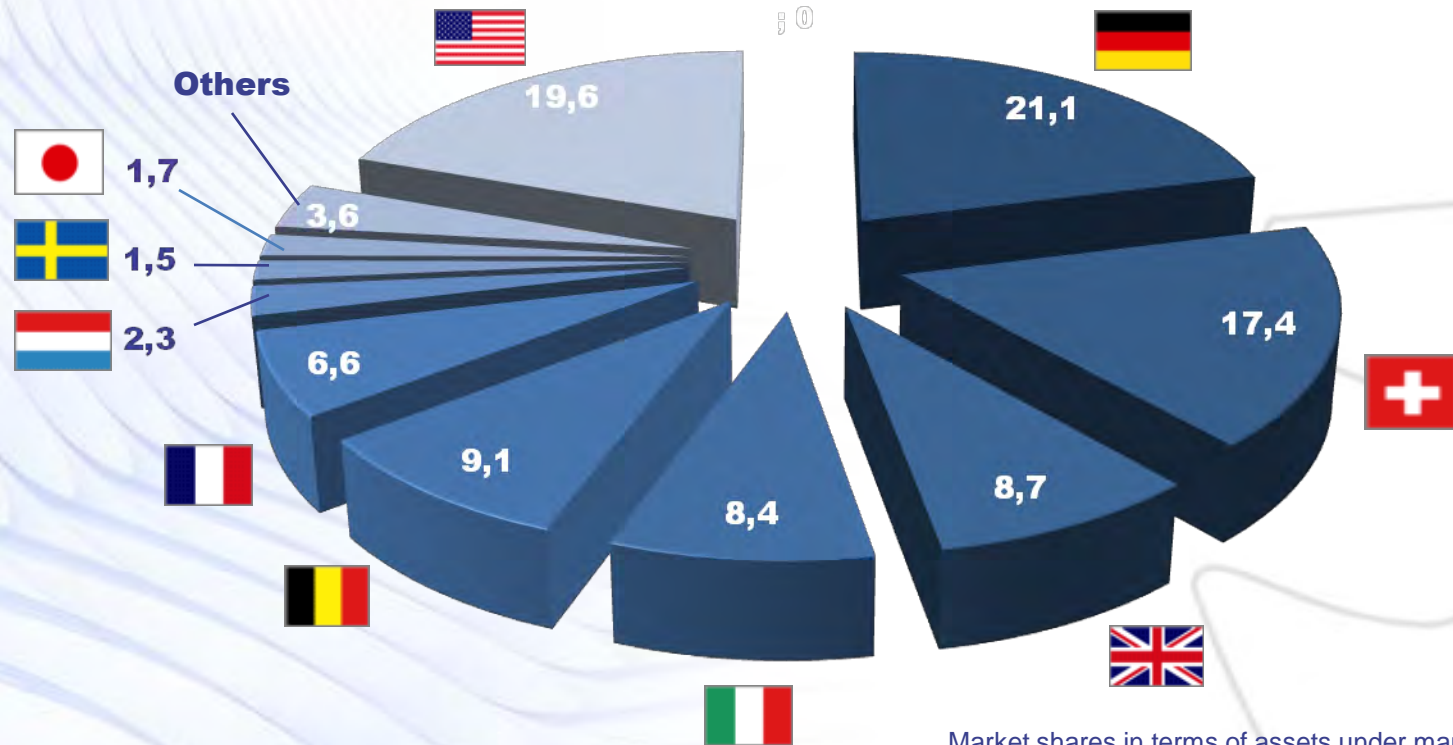
■ ... in terms of origin of banks



Source: CSSF

Luxembourg : highly international

... in terms of origin of fund promoters

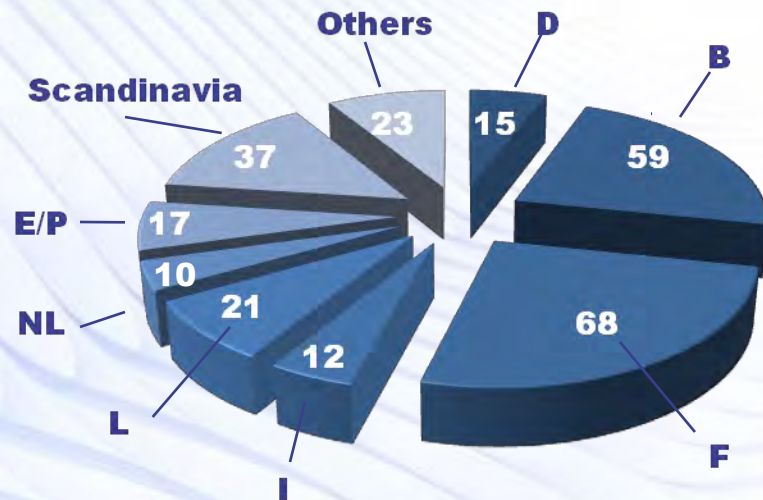


Market shares in terms of assets under management
Figures as at December 31, 2008, Source: CSSF

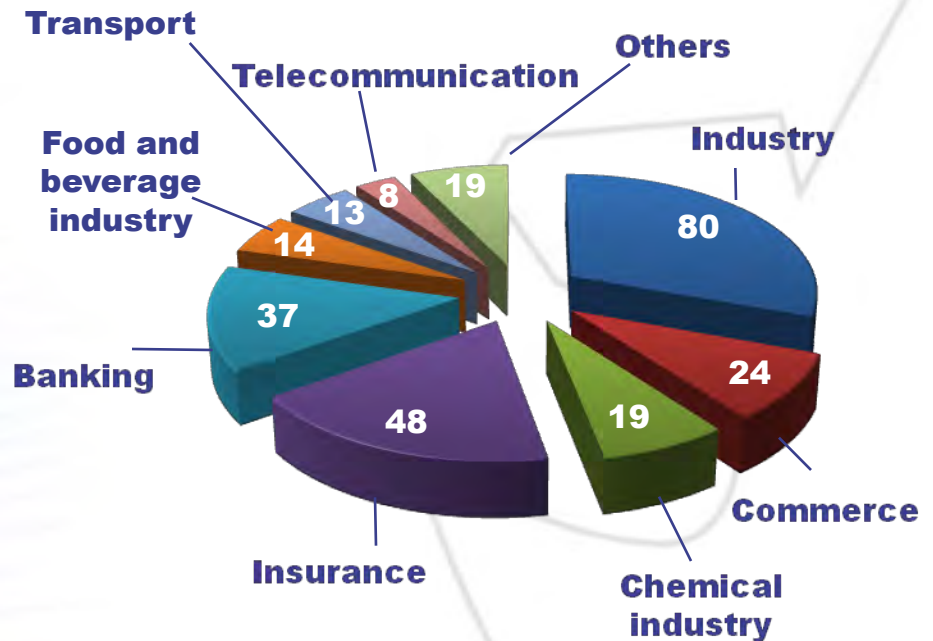
Luxembourg : highly international

... in terms of origin of captive reinsurers

Country of origin



Sector of activities

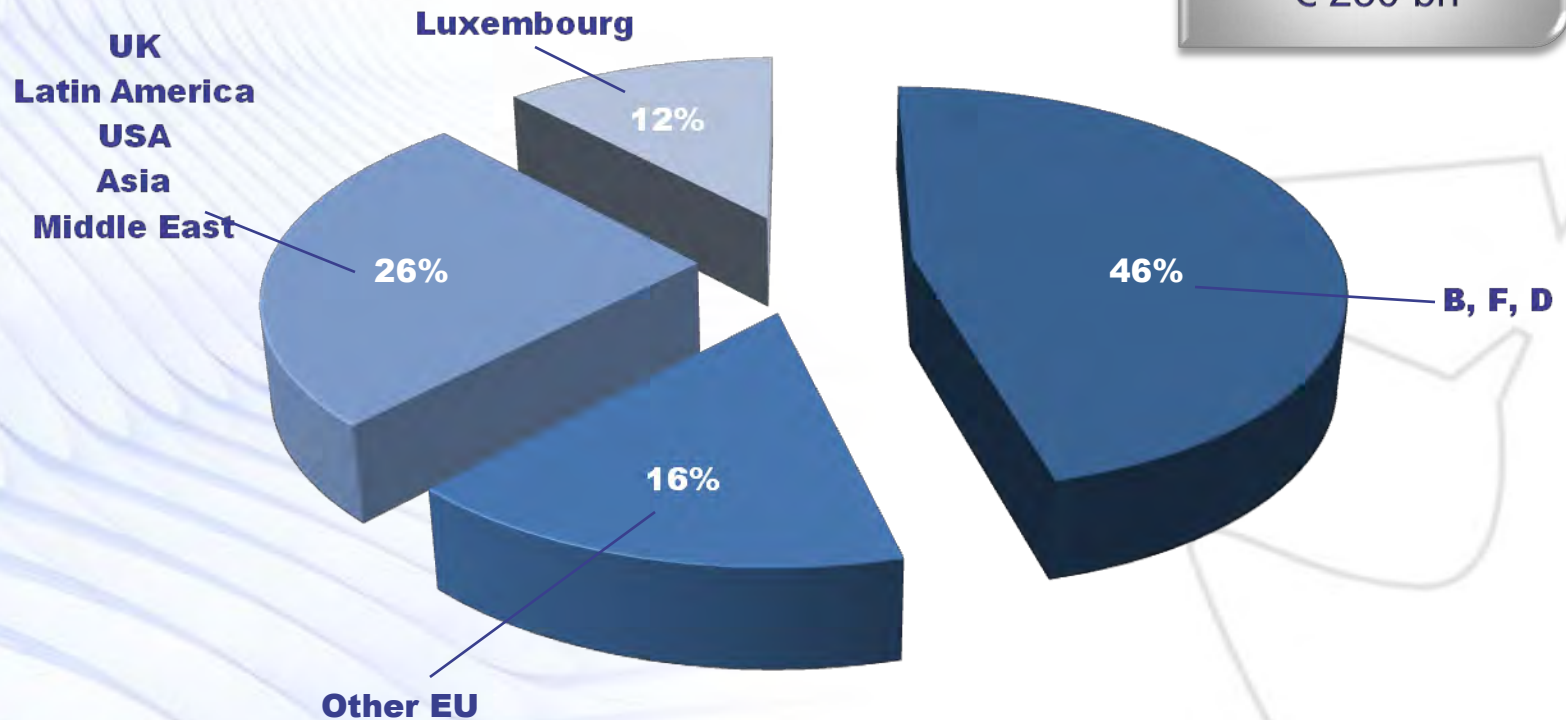


Quelle: Commissariat aux Assurances

Luxembourg : highly international

... in terms of clients

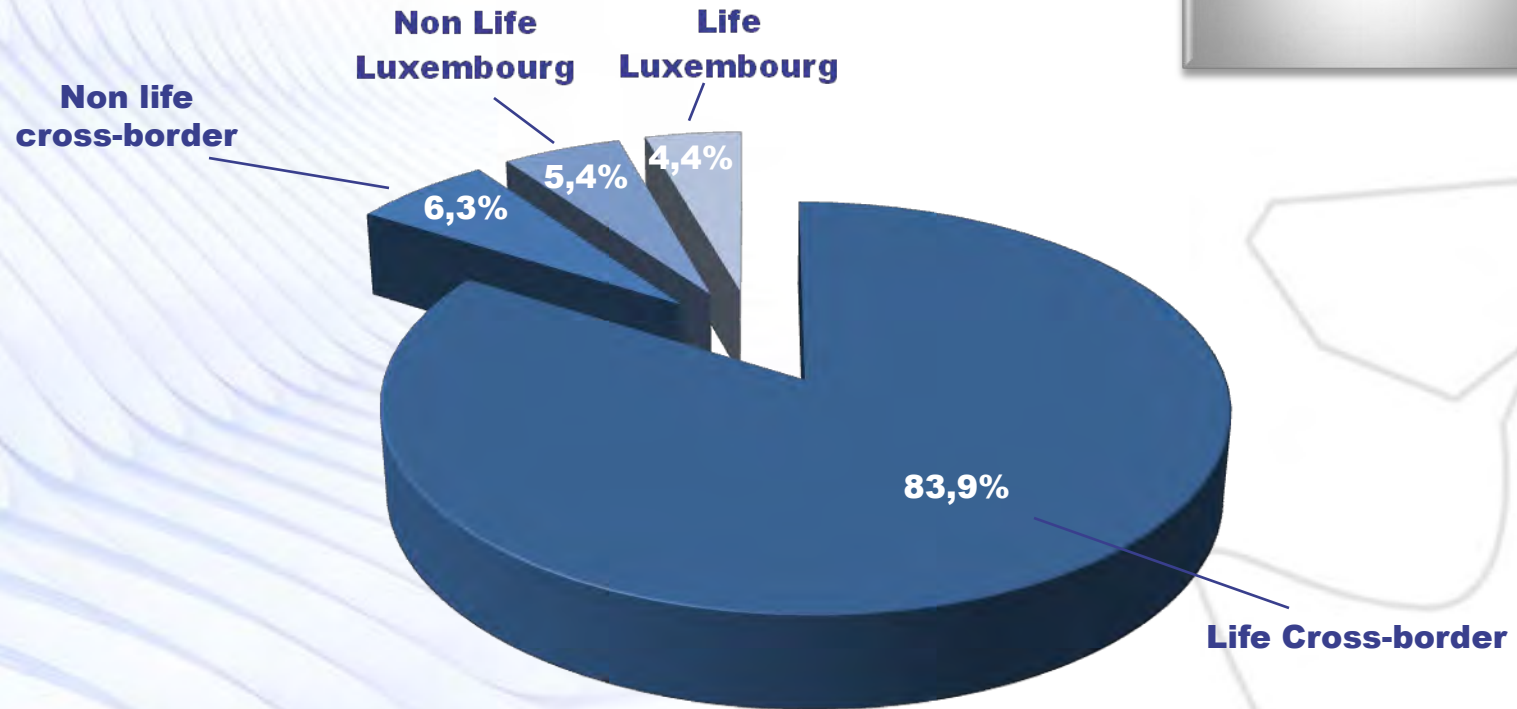
The example of private banking



Luxembourg : highly international

... in terms of clients

The example of insurance



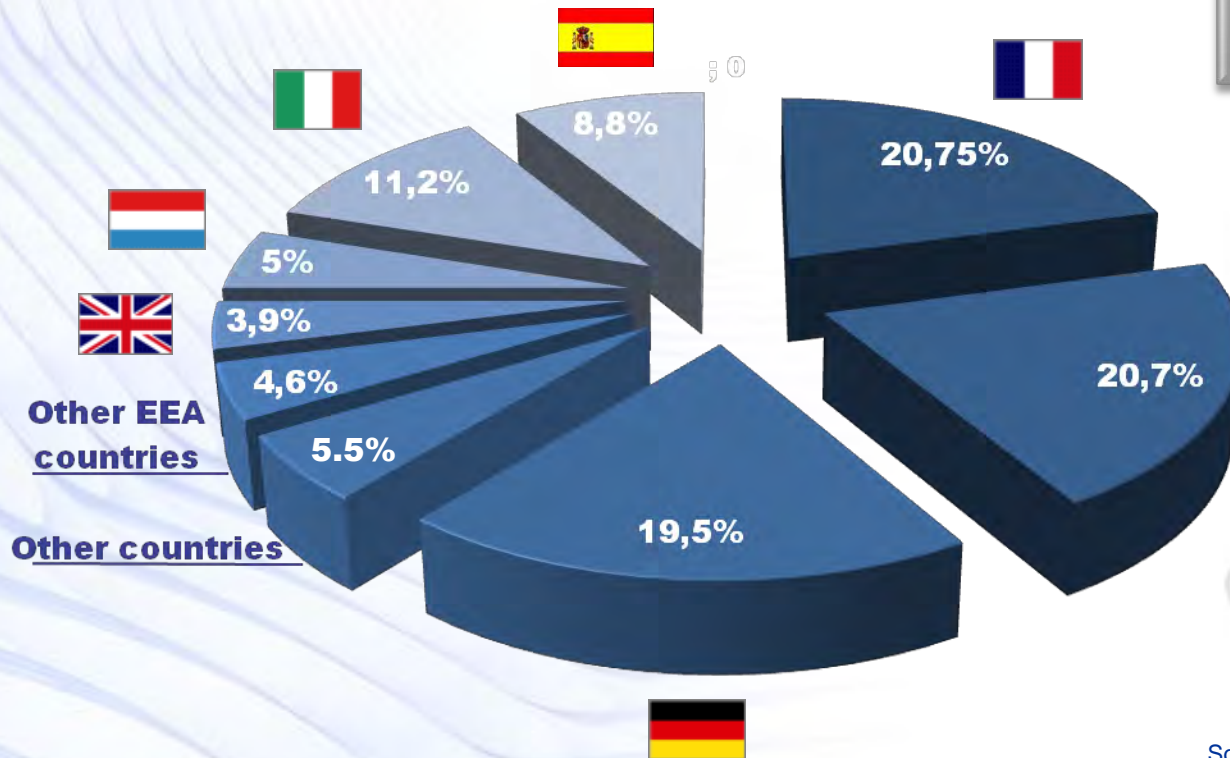
Total premiums:
€ 12.4 billion

Source: Commissariat aux Assurances

Luxembourg : highly international

... in terms of clients

The example of life insurance



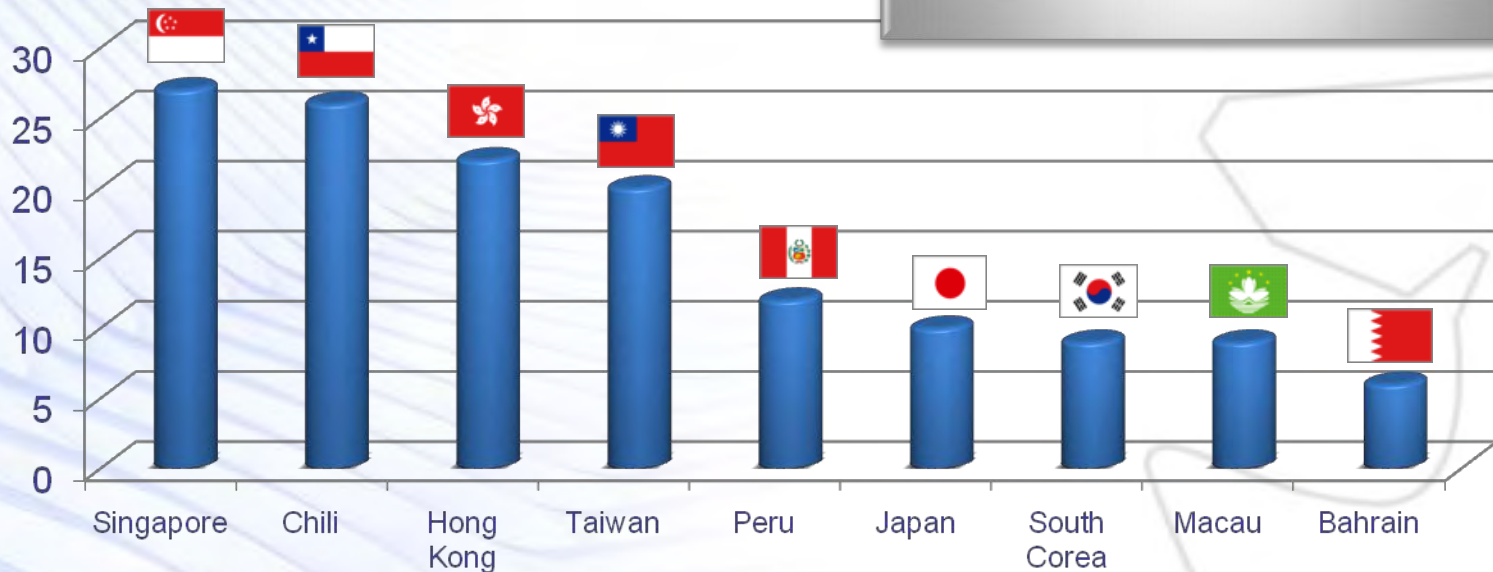
Source: Commissariat aux Assurances

Luxembourg : highly international

... in terms of clients

The example of investment funds

Main countries of distribution outside Europe



Source: Lipper Hindsight / PwC : Global Fund Distribution 2008

Luxembourg : highly international

■ ... in terms of population and work force

- More than 40% of the Luxembourg population are non Luxembourgers
- 145,000 commuters from Germany, Belgium and France are working in Luxembourg
- Most Luxembourgers speak 2 or 3 foreign languages



Highly diversified service providers

■ **Legal and tax advisers**

■ **Consultants, accountants, auditors**

■ **PSF – Professionnels du secteur financier**

- Supervised by the CSSF



Outsourcing

Ongoing diversification

