

PRESS RELEASE

■ PROFIT AND LOSS ACCOUNT OF CREDIT INSTITUTIONS AS AT 31 DECEMBER 2008

The *Commission de Surveillance du Secteur Financier* estimates profit before provisions of the Luxembourg banking sector at EUR 5,762 million as at 31 December 2008 representing an 8.6% decrease as compared to 31 December 2007, when profit before provisions amounted to EUR 6,306 million.

Throughout 2008, the profit and loss accounts of Luxembourg credit institutions developed in proportion with the effects of the economic crisis due to “subprimes”. The downward development of the financial markets decreases the value of the securities held by banks. Thus, other net income which comprises the changes in the value of the securities trading portfolio, decreased by EUR 1,399 million over one year. The sluggish market environment is also mirrored in the commissions received which decreased by 10% over one year. However, in a context where the liquidity has become scarce, the Luxembourg banking sector greatly benefits from its liquidity surplus. Therefore, there is a 23.4% increase in the interest rate margin.

Having regard to the 2.6% increase in general expenses, profit before provisions has decreased. It has been reduced by EUR 544 million (-8.6%) year-on-year.

Based on the provisional figures currently available but not yet audited, the value adjustments to non-trading book assets will substantially increase, which will result in a significant decrease of the net profit and of the tax deduction. The decrease of the net profit will probably be more than 50%.

Profit and loss account as at 31 December 2008

Items in million EUR	December 2007	December 2008	%
Interest-rate margin ¹	5,748	7,091	23.4%
Commissions received	3,797	3,417	-10.0%
Other net income	900	-499	-155.4%
Banking income	10,445	10,009	-4.2%
Staff costs	2,218	2,308	4.1%
Other general expenses	1,922	1,939	0.9%
General expenses	4,139	4,247	2.6%
Profit before provisions	6,306	5,762	-8.6%

Luxembourg, 23 January 2009

¹Including dividends received from subsidiaries