

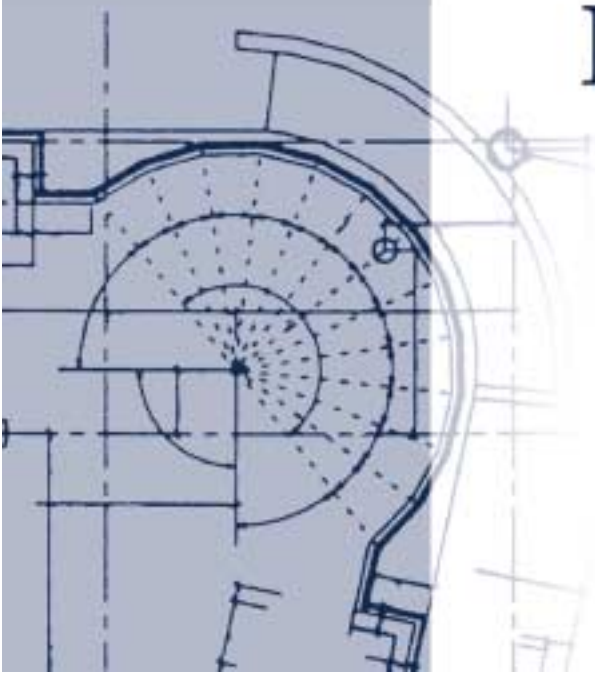
*N°19*

*August 2002*



# CSSF NEWSLETTER

COMMISSION de SURVEILLANCE  
du SECTEUR FINANCIER



## ***Banks***

### **Banks' balance sheet total as at 30 June 2002 reports a decrease The number of bank employees remains stable in 2002**

The balance sheet total for the banks established in Luxembourg reached EUR 693.64 billion as at 30 June 2002 compared to EUR 710.60 billion as at 31 May 2002, which is a decrease of 2.4 %.

According to final statistics and contrary to disclosed information based on provisional figures, the number of personnel in the banking sector reached 23,677 at the end of June 2002 and remained stable over the second quarter (plus 1 person). However, employment decreased by 57 people (-0.25 %) as against June 2001. The total number of employees dropped by 219 people (-0.9 %) compared to 23,886 people as at 31 December 2001.

#### Development in employment

30 June 2001	– 23,724 people
31 September 2001	– 23,814 people
31 December 2001	– 23,886 people
31 March 2002	– 23,666 people
30 June 2002	– 23,667 people

Due to the changes in the official list of banks during July 2002, i.e. the take-over of Artesia Banque Luxembourg by Banca Lombarda International S.A., the number of credit institutions registered on the official list of banks amounts to 183 entities. The Frankfurter Volksbank eG, Luxembourg branch, has become a Luxembourg-incorporated company, now named Frankfurter Volksbank International S.A.

### ***Provisional profit and loss accounts of the banks established in Luxembourg for the first six months of 2002: significant fall in profits (-16.3%) (Press release of 19 July 2002)***

*Based on provisional figures as at 30 June 2002, the profit and loss accounts of Luxembourg credit institutions reveal a fall in gross profit before provisions of 16.3% compared to the same period last year.*

*This drop stems mainly from a calendar effect relating to substantial non-recurring capital gains realised during the first six months of last year. The strong decrease of general expenses, contributing to the stabilisation of the gross profit before provisions also needs to be stressed.*

*In a difficult financial environment, the banking income records on an annual basis a fall of 12.6%. However, this decrease is essentially due to a calendar effect: the substantial non-recurring capital gains realised during the first six months of 2001. For this reason, the item "other net income" shows a decrease of 61.6% compared to the same period last year. Other income - namely interest margin and commissions received - continues the trend observed during the first quarter. In the context of declining dividends and the flattening of the European interest-rate curve, the interest margin shrinks by 1.6% compared to June 2001. Commissions received slightly recover compared to the figures of the first quarter. They fall by 2.7% as compared to last year.*

*The recent measures for cost control begin to bear fruit as reflects the 6.5% decrease of general expenses. While staff expenses grow by 1.3%, the other operating expenses drop by 15.3% compared to June 2001.*

## Profit and loss accounts for the first six months 2002<sup>1</sup>

Figures in million EUR	2001	2002	%
Interest margin <sup>2</sup>	1792	1764	-1.6%
Commissions received	929	904	-2.7%
Other net income	594	228	-61.6%
<b>Banking income</b>	<b>3314</b>	<b>2896</b>	<b>-12.6%</b>
General expenses	1226	1147	-6.5 %
<b>Profit before provisions</b>	<b>2088</b>	<b>1749</b>	<b>-16.3%</b>

## Professionals of the financial sector (PFS)

### Increase in the balance sheet total

According to the data provided as at 30 June 2002, the balance sheet total of all the professionals of the financial sector (146 active businesses) amounts to EUR 2.949 billion compared to EUR 2.901 billion the previous month, which is an increase of 1.65 %, and compared to EUR 2.000 billion at the end of June of the previous year, representing an increase of 47.45%

While the balance sheet total remained almost stable compared to the previous month, the strong increase in the balance sheet total between June 2001 and June 2002 is due to the positive development of some large-sized companies as well as to the growth in the number of professionals of the financial sector, rising from 133 entities as at 30 June 2001 to 146 at the end of June 2002. As for the breakdown in the balance sheet total between the various categories of PFS, the distributors of units of investment funds take the top position, followed by the private portfolio managers and professional custodians of securities.

<sup>1</sup> Survey effected on a sample representing 83% of the global net profit of the financial centre. Comparison based on equal sample of banks.

<sup>2</sup> Including dividends received from subsidiaries

# Statistics

Staff employed by the other professionals of the financial sector rose from 4,176 people as at 31 December 2001 to 4,364 as at 31 March 2002, which represents an increase of 4.50% over the first quarter in 2002. The number reached 4,339 people as at 30 June 2002, which is a rise of 3.90% compared to 31 December 2001. The increase over the first quarter 2002 is essentially due to a few newly authorised establishments, whereas the slight decrease over the second quarter 2002 stems from the reorganisation in the sector. Compared over a period of 12 months, the staff employed by the other professionals of the financial sector rose from 3,943 people as at 30 June 2001 to 4,339 as at 30 June 2002, which represents an increase of 396 people (10.04%).

The net profit for all the professionals of the financial sector amounts to EUR 222.85 million as at 30 June 2002 (146 active businesses) compared to EUR 218.45 million as at 30 June 2001 (133 active businesses), which is an increase of 2.01%.

As regards the breakdown in the net results between the various categories of PFS, the private portfolio managers take the top position, followed by the professional custodians of securities and distributors of units of investment funds.

## Distribution of the professionals of the financial sector according to their status (as at 30 June 2002)

Category		Number
Commission agents	COM	15
Financial advisors	COF	9
Brokers	COU	6
Professional custodians of securities or other financial instruments	DEP	4
Distributors of units of investment funds	DIST	45
Domiciliation agents of companies	DOM	36
Private portfolio managers	GF	50
Underwriters	PF	4
Professionals acting for their own account	PIPC	17
Market makers	TM	2
Entity authorised to exercise all the activities as PFS permitted by article 28 of the law of 15 December 2000 on postal services and financial postal services	EPT	1
<b>TOTAL *</b>		<b>146</b>

\* the same establishment can appear in several categories at the same time

## Undertakings for collective investment

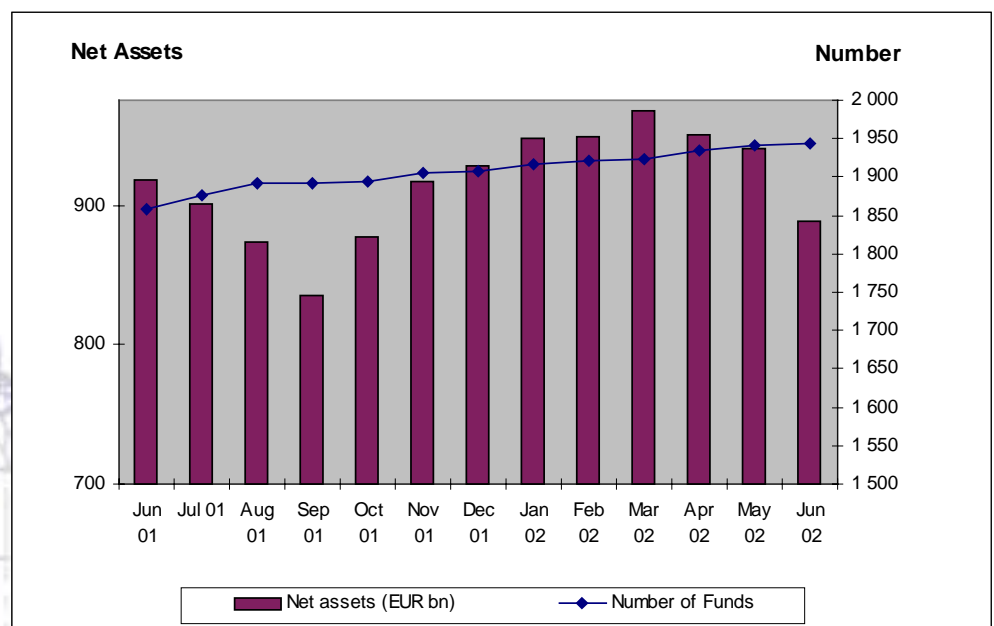
### Significant decrease in UCI's total net assets at the end of June 2002

As at 30 June 2002, the total net assets of undertakings for collective investment reached EUR 888.028 billion compared to EUR 940.892 billion as at 31 May 2002. Consequently, the Luxembourg undertakings for collective investment sector has decreased by 5.62% compared to May 2002. This decrease can be explained by a general fall in financial markets, as well as by the rise of the Euro against the US dollar.

For the month of June 2002, the sector decreases by 4.35% compared to 31 December 2001 when the total net assets amounted to EUR 928.447 billion. Over the last twelve months, the volume of net assets decreased by 3.31%.

During the month of June 2002, the net capital disinvestment amounted to EUR 2.858 billion. Compared to 31 December 2001 the net capital investment reaches EUR 46.161 billion.

The number of undertakings for collective investment taken into consideration totals 1,943 compared to 1,941 for the previous month. A total of 1,177 UCIs have adopted the multiple compartment structure, which represents 7,017 compartments. When adding 766 UCIs with a traditional structure to the previous figure, a total of 7,783 compartments are active in the financial centre.

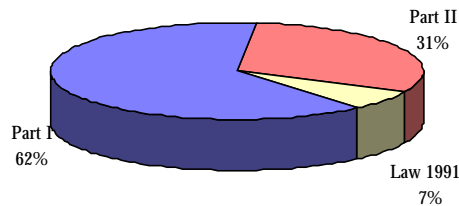


## Quarterly statistics on the undertakings for collective investment industry- situation as at 30 June 2002

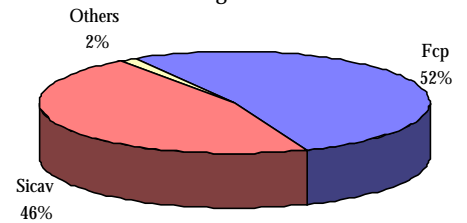
Every three months, in addition to the monthly statistics, the CSSF newsletter provides more detailed information on the investment fund sector, in particular regarding the origin of the promoters and the investment policy of the UCIs.

### Number of UCIs

Distribution of the number of UCI's acc. to law and part applicable



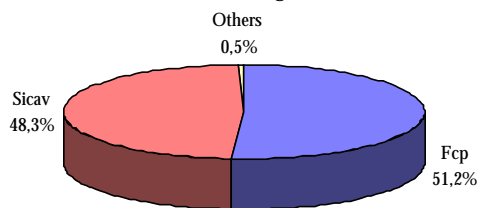
Distribution of the number of UCI's acc. to their legal status



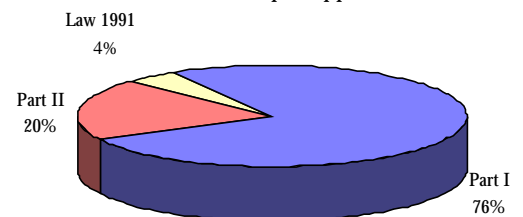
Law, part \ legal form	Fcp	Sicav	Others	Total
Part I	652	558	8	1,218
Part II	280	294	20	594
Institutional UCIs	80	49	2	131
<b>Total</b>	<b>1,012</b>	<b>901</b>	<b>30</b>	<b>1,943</b>

### Net assets of the UCIs

Distribution of the net assets of the UCI's acc. to their legal status



Distribution of the net assets of the UCI's acc. to law and part applicable

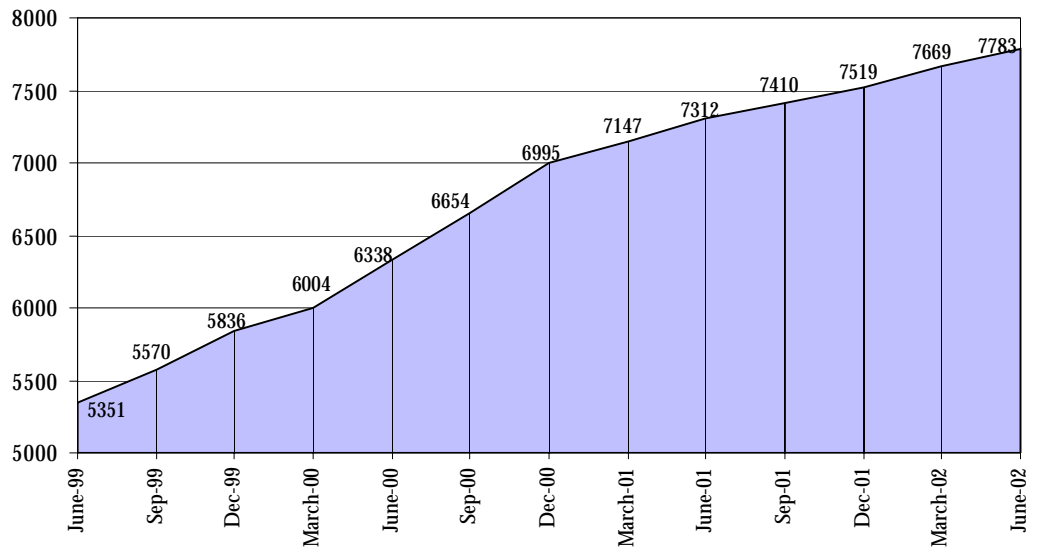


Law, part \ legal form	Fcp	Sicav	Others	Total
Part I	302.434	366.424	1.684	670.542
Part II	125.678	49.795	2.593	178.066
Institutional UCIs	26.347	12.923	0.150	39.420
<b>Total</b>	<b>454.459</b>	<b>429.142</b>	<b>4.427</b>	<b>888.028</b>

## Origin of the promoters of Luxembourg UCIs

	Net assets (in bn EUR)	in %
Switzerland	218.244	24.6%
United States	158.696	17.8%
Germany	155.733	17.6%
Italy	96.752	10.9%
Belgium	76.072	8.6%
United Kingdom	53.583	6.0%
France	45.518	5.1%
Japan	17.955	2.0%
Netherlands	16.107	1.8%
Sweden	16.017	1.8%
Others	33.351	3.8%
<b>Total</b>	<b>888.028</b>	<b>100.0%</b>

## Development in the number of funds and active sub-funds



## Investment policy of the Luxembourg UCIs

	Net assets (in bn EUR)
Fixed income transferable securities	368.421
Variable yield transferable securities	293.783
Mixed transferable securities	62.288
High risk capital	0.622
Unlisted transferable securities	2.354
Leveraged funds	3.351
Other open-ended UCIs	65.052
Money market instruments and liquid assets	79.417
Cash	10.247
Real estate	1.591
Futures and/or options	0.902
Other securities	0.000
<b>Total</b>	<b>888.028</b>

## Recent regulatory developments

### **CSSF Circular 02/66**

**Supplement to CSSF Circulars 00/16, 01/31, 01/37, 01/48 and IML 94/112 relating to the fight against money-laundering and the prevention of the use of the financial sector for money-laundering activities**

The Circular 02/66 of 15 July 2002 draws the attention of the persons and firms under the supervision of the CSSF on the updated list of Non-Co-operative Countries and Territories published on 21 June 2002 in the third report of the Financial Action Task Force (FATF). The following jurisdictions remain on the FATF list: Cook Islands, Dominica, Egypt, Grenada, Guatemala, Indonesia, Marshall Islands, Myanmar, Nauru, Nigeria, Niue, Philippines, Russia, St. Vincent and the Grenadines and Ukraine.

### **CSSF Circular 02/67**

#### **Restrictive measures in respect of Zimbabwe**

The CSSF Circular 02/67 of 31 July 2002 informs the professionals of the financial sector of the publication of two Regulations (EC), i.e. No 1345/2002 of 24 July 2002 and No 1224/2002 of 8 July 2002, amending Regulation (EC) No 310/2002 concerning certain restrictive measures in respect of Zimbabwe. The first regulation updates the list of persons, entities and bodies referred to in Article 2 of Regulation (EC) No 310/2002; the second Regulation amends the list of the responsible authorities referred to in Annexe III.



## LIST OF BANKS

### New establishment:

#### **Frankfurter Volksbank International S.A.**

36, boulevard Joseph II, L-1840 LUXEMBOURG

Ministerial authorisation of 1 July 2002

### Withdrawals:

#### **Frankfurter Volksbank eG**, Luxembourg branch, 1 July 2002

following its change of status

#### **Artesia Banque Luxembourg S.A.**, on 22 July 2002,

following its merger with Banca Lombarda International S.A.

### Change of name:

DGZ – DekaBank – Deutsche Kommunalbank, Luxembourg branch has become  
**DekaBank Deutsche Girozentrale**, Luxembourg branch

Rabo Robeco Bank (Luxembourg) S.A. has become

**Bank Sarasin Benelux S.A.**

Rolo Banca 1473 SpA, Luxembourg branch has become

**Unicredito Italiano SpA**, Luxembourg branch

### Change of address:

#### **Clearstream Banking**

42, avenue J.F. Kennedy

L-1855 LUXEMBOURG

Postal address: L-2967 LUXEMBOURG

## LIST OF PROFESSIONALS OF THE FINANCIAL SECTOR (PFS)

### Withdrawal:

#### **ASSETS & EQUITIES S.A., Brussels (Belgium)**, Luxembourg branch

Ministerial authorisation of 1 July 2002

### Change of address:

#### **BETA EUROPA MANAGEMENT S.A.**

12, avenue Monterey, L-2163 Luxembourg

#### **HALSEY GROUP S.àR.L.**

174, route de Longwy, L-1940 Luxembourg

#### **INTERNATIONAL FINANCIAL DATA SERVICES (LUXEMBOURG) S.A.**

49, avenue J.F. Kennedy, L-1855 Luxembourg

## Extension of status:

### **SUXESKEY S.A.**

Status as domiciliation agent extended to **private portfolio manager**  
Ministerial authorisation of 15 July 2002

## **OFFICIAL LIST OF THE PROFESSIONALS AUTHORISED TO EXERCISE THE ACTIVITY OF LIABILITY MANAGER FOR PENSION FUNDS SUBJECT TO THE LAW OF 8 JUNE 1999 AS AMENDED**

## Change of name:

WILLIAM M. MERCER S.A. has become on 8 April 2002  
**MERCER HUMAN RESOURCE CONSULTING S.A.**

## **LIST OF UNERTAKINGS FOR COLLECTIVE INVESTMENT (UCI)**

Registrations on and withdrawals from the official list of the Luxembourg undertakings for collective investment which fall under the law of 30 March 1988 and the official list of undertakings for collective investment which fall under the law of 19 July 1991, during the **month of June 2002**

### **Registrations**

- ARKAS SELECTION, 291, route d'Arlon, L-1150 Luxembourg
- BER BANCA TOTAL RETURN, 20, boulevard Emmanuel Servais, L-2535 Luxembourg
- CB-LUX FUND SELECTION, 11, rue Notre-Dame, L-2240 Luxembourg
- DEKA-WORLDGARANT 8/2007, 6C, route de Trèves, L-2633 Senningerberg
- DEXIA MULTIPROTECTION, 69, route d'Esch, L-1470 Luxembourg
- DWS BEST 80 GARANT, 2, boulevard Konrad Adenauer, L-1115 Luxembourg
- EVOLUTIS SICAV, 7, boulevard Joseph II, L-1840 Luxembourg
- H & A LUX TRAC, 21, avenue de la Liberté, L-1931 Luxembourg
- HORNBLOWER GUARANTEE, 1a-1b, rue Thomas Edison, L-1445 Luxembourg-Strassen
- INVESCO VOYAGER, 23, avenue de la Porte-Neuve, L-2227 Luxembourg
- IP FONDS, 13, avenue de la Porte-Neuve, L-2227 Luxembourg
- PROFACTO, 11, rue Aldringen, L-1118 Luxembourg
- UBS TARGET FUND, 291, route d'Arlon, L-1150 Luxembourg
- UNIRENTA EMERGINGMARKETS, 308, route d'Esch, L-1471 Luxembourg

### **Withdrawals**

- ABN AMRO CONSTELLATION SICAV, 46, avenue J-F Kennedy, L-1855 Luxembourg-Kirchberg
- CAPITAL INTERNATIONAL LATIN AMERICAN FUND, 5, rue Plaetis, L-2338 Luxembourg
- CITIFOCUS FCP, 58, boulevard Grande-Duchesse Charlotte, L-1330 Luxembourg
- CREDIT SUISSE EQUITY TRUST (LUX), 5, rue Jean Monnet, L-2180 Luxembourg-Kirchberg
- EURO BOND MARKET FUND, 6C, route de Trèves, L-2633 Senningerberg
- EURO MONEY MARKET FUND, 6C, route de Trèves, L-2633 Senningerberg
- EURO PORTFOLIO BREMEN 6/2002, 4, rue Jean Monnet, L-2180 Luxembourg-Kirchberg
- EXPERTISE SICAV, 4, rue Thomas Edison, L-1445 Luxembourg-Strassen
- LEICOM FUND, 20, boulevard Emmanuel Servais, L-2535 Luxembourg
- OPPENHEIM BOND EURO ML, 4, rue Jean Monnet, L-2180 Luxembourg-Kirchberg
- PATAGON EUROAKTIEN PROTECT, 4, rue Jean Monnet, L-2180 Luxembourg-Kirchberg
- POLY INVEST SICAV, 69, route d'Esch, L-1470 Luxembourg

# Financial centre

Main updated figures regarding the financial centre:

Number of banks: **183** (31 July 2002)

Balance sheet total: **EUR 693.639 billion** (30 June 2002)

Profit before reserves: **EUR 2.27 billion** (30 June 2002)

Employment: **23,667 people** (30 June 2002)

Number of UCIs: **1,947** (9 August 2002)

Total net assets: **EUR 888.028 billion** (30 June 2002)

Number of pension funds: **4** (31 July 2002)

Number of PFS: **146** (31 July 2002)

Balance sheet total: **EUR 2.95 billion** (30 June 2002)

Net profit: **EUR 222.85 million** (30 June 2002)

Employment: **4,339 people** (30 June 2002)

Total employment in the supervised establishments: **28,030 people** (31 March 2002)

Total employment in the supervised establishments: **28,006 people** (30 June 2002)

## CSSF Newsletter

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