

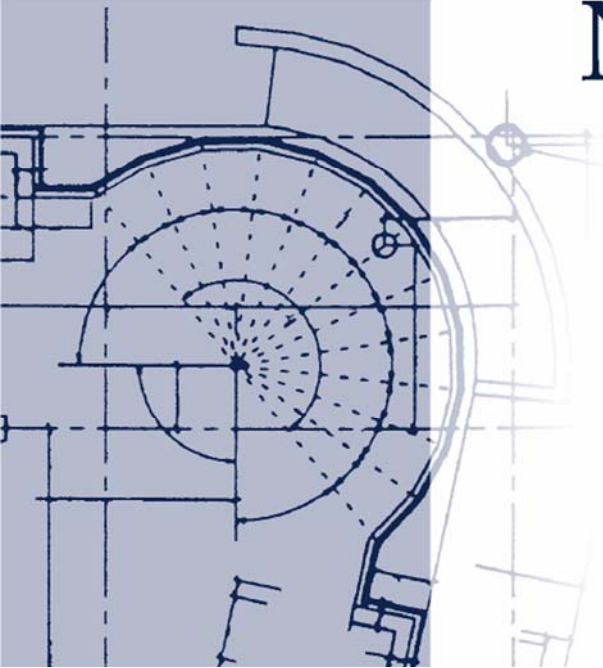
*N°43*

*August 2004*



# CSSF NEWSLETTER

COMMISSION de SURVEILLANCE  
du SECTEUR FINANCIER



## Banks

### Slight increase in the banks' balance sheet total as at 30 June 2004

As at 30 June 2004, the balance sheet total of the banks established in Luxembourg reached EUR 684.34 billion as compared to EUR 682.08 billion as at 31 May 2004, which is an increase of 0.33%.

As at 30 June 2004, total employment of Luxembourg credit institutions reached 22,470 people, representing an increase of 0.5% as compared to 31 March 2004, when total employment amounted to 22,360 people. Total employment of Luxembourg banks as at 30 June 2003 reached 22,830 people.

The number of credit institutions registered on the official list as at 31 July 2004 remained unchanged (167 entities).

## Professionals of the financial sector (PFS)

### Increase in the balance sheet total

According to the data provided as at 30 June 2004, the balance sheet total of all the professionals of the financial sector (159 active businesses) amounts to EUR 33.399 billion as against EUR 31.889 billion in the previous month, which represents a slight increase of 4.74%, against EUR 4.208 billion as at 31 March 2004 and against EUR 2.204 billion at the end of June 2003.

This substantial increase in the balance sheet total of PFS over a period of twelve months is mainly attributable to the relatively high balance sheet totals of the recently approved entities under the status of professional performing credit offering and professional performing securities lending, the volume of their credit activities being entirely reflected in their balance sheet total. The positive development of the number of professionals of the financial sector, 159 entities as at 30 June 2004 against 141 entities as at 30 June 2003, also explains the increase in the balance sheet total of PFS over this period.

As regards the breakdown of the balance sheet total as at 30 June 2004 between the various categories of PFS, the professionals performing securities lending now take the top position, followed by the professionals performing credit offering, the professional custodians of securities and the distributors of units/shares of UCIs.

Staff employed by the professionals of the financial sector amounts to 4,928 people as at 30 June 2004 against 4,776 people as at 31 March 2004. This increase of 3.18% over a period of three months is notably due to the positive development of the number of approved PSF, rising from 147 entities as at 31 March 2004 to 159 entities as at 30 June 2004. Compared over a period of twelve months, total employment of PSF rose from 4,243 entities as at 30 June 2003 to 4,928 entities as at 30 June 2004, representing a net increase of 685 entities or 16.14%.

The net profit of all the professionals of the financial sector reached EUR 232.98 million as at 30 June 2004 against EUR 103.53 million as at 31 March 2004. This significant increase in the net result over the second quarter is notably due to the positive development of profits made by the professional custodians of securities, distributors of units/shares of UCIs and professionals performing credit offering.

Compared over a period of twelve months, the net result for all the PSF rose from EUR 225.12 million as at 30 June 2003 (141 active businesses) to EUR 232.98 million as at 30 June 2004 (159 active businesses), which represents an increase of 3.49%.

As regards the breakdown of net profits as at 30 June 2004 between the various categories of PFS, the professional custodians of securities now take the top position, followed by the distributors of units/shares of UCIs and the private portfolio managers.

### Distribution of the professionals of the financial sector according to their status

(as at 31 July 2004)

Category		Number
<i>Investment firms</i>		
Commission agents	COM	16
Private portfolio managers	GF	45
Professionals acting for their own account	PIPC	15
Distributors of units of investment funds	DIST	40
Underwriters	PF	3
Professional custodians of securities or other financial instruments	DEP	3
Registrar and transfer agents	ATR	7
<i>PFS other than investment firms</i>		
Financial advisors	COF	10
Brokers	COU	4
Market makers	TM	2
Currency exchange dealer	CHES	1
Debt recovery	RECO	3
Professionals performing credit offering	POP	5
Professionals performing securities lending	PPT	1
Administrators of collective savings funds	AFCE	1
Domiciliation agents of companies	DOM	30
Client communication agents	ACC	5
Administrative agents of the financial sector	AA	4
IT systems and communication networks operator of the financial sector	IT	7
Professionals performing services of setting up and of management of companies	PCG	2
Professionals of the financial sector authorised to exercise any activity referred to in section 1 of chapter 2 of part I of the amended law of 5 April 1993 on the financial sector, with the exception of the categories of PFS also referred to in section 2 of the same chapter	ART. 13	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>159</b>

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

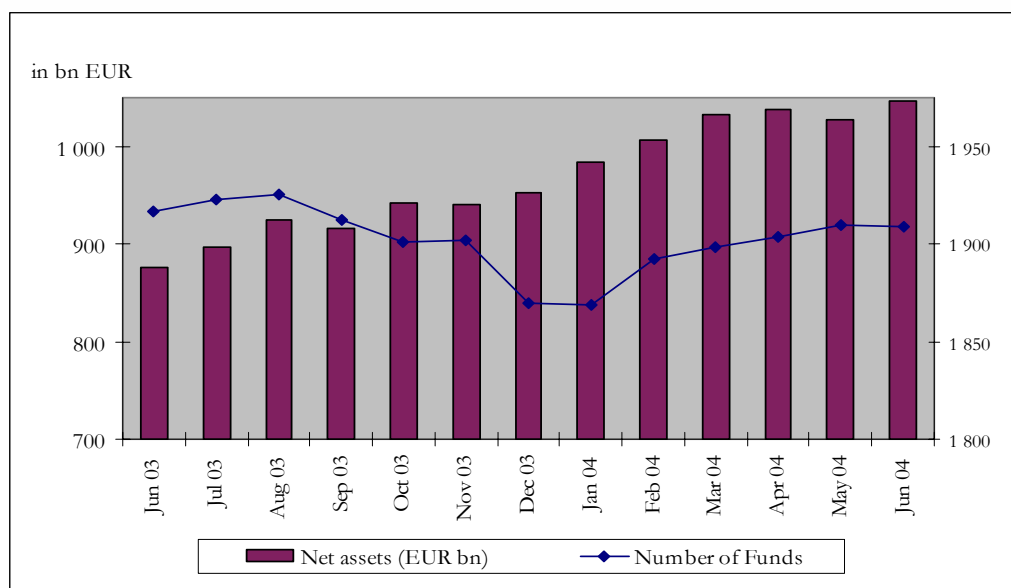
## Undertakings for collective investment

### Increase in UCI's total net assets at the end of June 2004

As at 30 June 2004, the total net assets of undertakings for collective investment reached EUR 1,046.820 billion compared to EUR 1,026.667 billion as at 31 May 2004. Consequently, the Luxembourg undertakings for collective investment sector increased by 1.96% compared to May 2004. In June 2004, the sector increased by 9.81% compared to 31 December 2003 when the total net assets amounted to EUR 953.302 billion. Over the last twelve months, the volume of net assets increased by 19.42%.

During the month of June 2004, the net capital investment amounted to EUR 9.018 billion. Compared to 31 December 2003, the net capital investment amounts to EUR 64.998 billion.

The number of undertakings for collective investment taken into consideration totals 1,909 as against 1,910 the previous month. 1,199 UCIs have adopted the multiple compartment structure, which represents 6,969 compartments. When adding 710 UCIs with a traditional structure, a total of 7,679 compartments are active in the financial centre.



## Management companies

### Balance sheet total of the management companies under chapter 13 of the law of 20 December 2002 concerning undertakings for collective investment

The balance sheet total of the management companies under chapter 13 of the law of 20 December 2002 concerning undertakings for collective investment amounted to EUR 867.918 million as at 30 June 2004.

The number of management companies taken into account amounts to 12.



## **Approval of two new management companies under chapter 13 of the law of 20 December 2002 concerning undertakings for collective investment**

The Commission de Surveillance du Secteur Financier informs that two new management companies have been registered on the official list of management companies governed by chapter 13 of the law of 20 December 2002 concerning undertakings for collective investment. The following entities are concerned:

- AVIVA FUND SERVICES. The company will be active in the field of collective management.
- JULIUS BAER (LUXEMBOURG) S.A.. The company will be active in the field of collective management.

Following this approval, the number of management companies governed by chapter 13 of the law of 20 December 2002 concerning undertakings for collective investment and allowed to benefit from the European passport as from 13 February 2004 by way of free establishment or free provision of services in another Member State of the European Union amounts to 13 as at 30 June 2004.

### ***Profit and loss accounts of the credit institutions as at 30 June 2004 (press release of 16 July 2004)***

*Based on provisional figures of the first half of the year 2004<sup>1</sup>, the Commission de Surveillance du Secteur Financier estimates the gross result before provisions of the Luxembourg banking sector at EUR 1,912 million.*

*Following the substantial decrease (-8.1%) recorded by banking results during the first quarter 2004, the credit institutions of the financial centre recover their profit level of the financial year 2003. As at 30 June 2003, the gross profit before provisions had also amounted to EUR 1,911 million.*

*While the increase of banking income remains modest (+0.7%), it nevertheless contrasts with five quarters of consecutive drops. This reversal is due to commissions received, which, supported by a favourable stock market climate, rose by 16.4%. The same does not apply to interest income, which decreases by 7.8% in the first six months of the year. A third of this fall is due to a drop in participating income. Following certain disengagements of Luxembourg banks abroad, profits resulting from liquidations had exceptionally pushed up income in 2003. The decline in interest income remains attributable to the historically low level of interest rates which reduces above all the return on capital.*

*Despite its weak improvement, banking income is able to contain the increase in general expenses (1.5%). Their increase concerns staff costs (1.6%) as well as the other operating expenses (1.4%).*

<sup>1</sup> The banks taken into account in the sample represent 95.7% of the profit before provisions of the financial year 2003.

# Statistics

## Profit and loss account as at 30 June 2004<sup>2</sup>

Figures in million EUR	2003	2004	%
Interest margin <sup>3</sup>	1,919	1,768	-7.8%
Commissions received	1,151	1,339	16.4%
Other net income	396	381	-3.7%
<b>Banking income</b>	<b>3,465</b>	<b>3,489</b>	<b>0.7%</b>
Staff costs	806	818	1.6%
Other operating expenses	748	759	1.4%
<b>General expenses</b>	<b>1,554</b>	<b>1,577</b>	<b>1.5%</b>
<b>Profit before provisions</b>	<b>1,911</b>	<b>1,912</b>	<b>0.0%</b>

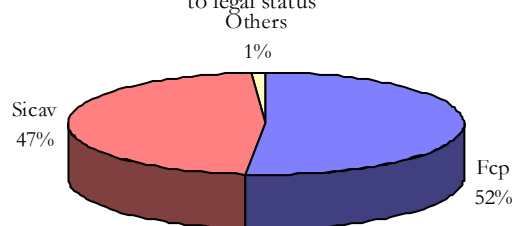
# UCI Statistics

## Quarterly statistics on the undertakings for collective investment industry - situation as at 30 June 2004

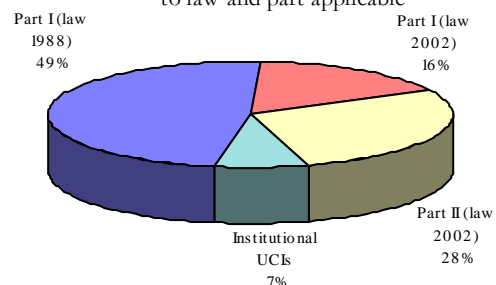
Every three months, in addition to the monthly statistics, the CSSF newsletter provides more detailed information on the investment fund sector, in particular regarding the origin of the promoters and the investment policy of the UCIs.

### Number of UCIs

Distribution of the number of UCIs according to legal status



Distribution of the number of UCIs according to law and part applicable



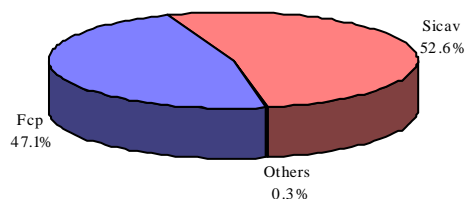
Law, part \ legal form	Fcp	Sicav	Others	Total
Part I (law 1988)	460	454	5	919
Part I (law 2002)	213	97	0	310
Part II (law 2002)	226	297	15	538
Institutional UCIs	87	53	2	142
<b>Total</b>	<b>986</b>	<b>901</b>	<b>22</b>	<b>1 909</b>

<sup>2</sup> Survey carried out on a sample representing 95.7% of the profit before provisions of the financial centre

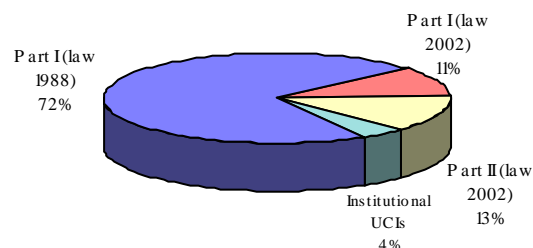
<sup>3</sup> Including dividend received from subsidiaries

## Net assets of the UCIs

Distribution of the net assets of UCIs according to their legal status



Distribution of the number of UCIs according to law and part applicable

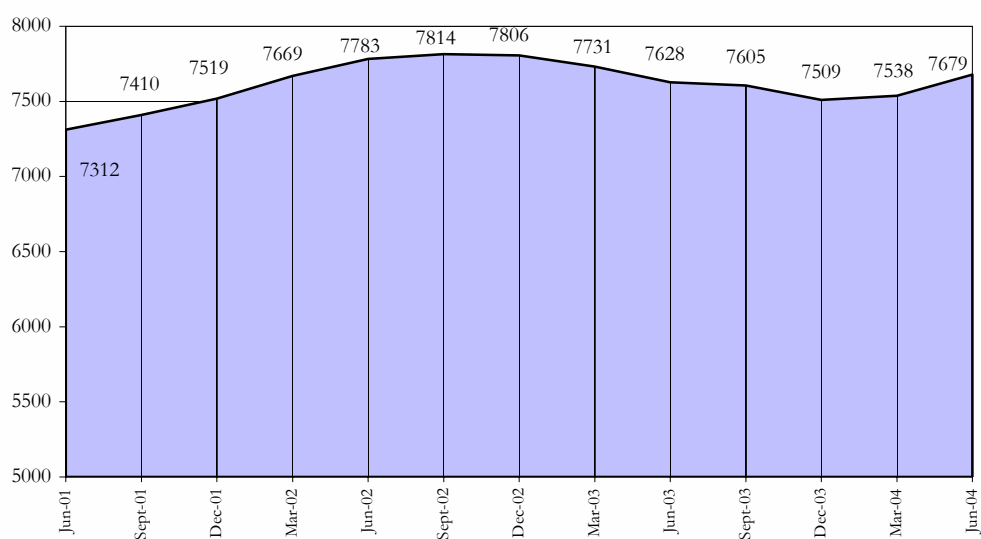


Law, part \ legal form	Fcp	Sicav	Others	Total
Part I (law 1988)	312.877	438.919	1.329	753.125
Part I (law 2002)	70.202	43.673	0.000	113.875
Part II (law 2002)	78.063	54.535	1.765	134.363
Institutional UCIs	31.606	13.716	0.135	45.457
<b>Total</b>	<b>492.748</b>	<b>550.843</b>	<b>3.229</b>	<b>1,046.820</b>

## Origin of the promoters of Luxembourg UCIs

	Net assets (in bn EUR)	in %
Switzerland	232.339	22.2
United States	189.941	18.2
Germany	177.068	16.9
Italy	119.422	11.4
Belgium	88.145	8.4
United Kingdom	73.181	7.0
France	58.588	5.6
Japan	25.061	2.4
Netherlands	21.811	2.1
Sweden	20.215	1.9
Others	41.049	3.9
<b>Total</b>	<b>1 046.820</b>	<b>100</b>

### Development in the number of units



### Investment policy of the Luxembourg UCIs

	Net assets (in bn EUR)
Fixed-income transferable securities	532.943
Variable-yield transferable securities	346.670
Mixed transferable securities	69.532
Fund of funds	79.690
Cash	10.848
Real estate	2.927
Futures, options, warrants	4.132
Other securities	0.078
<b>Total</b>	<b>1 046.820</b>



## LIST OF BANKS

### Changes of address:

Kaupthing Bunadarbanki, Reykjavik (Iceland), Luxembourg Branch  
12, rue Guillaume Schneider,  
L-2522 Luxembourg

Deutsche Postbank International S.A.  
PB Finance Center  
18-20, Parc d'Activités Syrdall  
L-5365 Munsbach  
(Postal address: L-2633 Senningerberg)

Deutsche Postbank AG, Bonn (Germany), Luxembourg Branch  
PB Finance Center  
18-20, Parc d'Activités Syrdall  
L-5365 Munsbach  
(Postal address: L-2633 Senningerberg)

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

### New establishment:

INFOMAIL S.A.  
8A, avenue Monterey  
L-2020 Luxembourg  
Acting as **client communication agent**  
Ministerial authorisation of 21 July 2004

### Withdrawal:

AVIVA CORPORATE SERVICES S.A.  
34, avenue de la Liberté  
L-1930 Luxembourg  
Was authorised as **domiciliation agent of companies**  
Withdrawal on 30 June 2004

## LIST OF MANAGEMENT COMPANIES

### New companies:

JULIUS BAER (LUXEMBOURG) S.A.  
65, avenue de la Gare  
L - 1611 Luxembourg

AVIVA FUND SERVICES  
34, Avenue de la Liberté  
L - 1930 Luxembourg

## LIST OF UNDERTAKINGS 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, the law of 20 December 2002 and the law of 19 July 1991, during the **month of June 2004**

### Registrations

- ACCESSION FUND, 33, boulevard du Prince Henri, L-1724 Luxembourg
- ACTIVEST LUX CORPORATEBOND, 4, rue Alphonse Weicker, L-2721 Luxembourg
- ADIG WÄHRUNGSFONDS, 25, rue Edward Steichen, L-2540 Luxembourg
- CITI MUTUAL FUND TRUST SERIES, 58, boulevard Grande-Duchesse Charlotte, L-1330 Luxembourg
- DIT-GARANTIEFONDS KLASSIK 95 (II), 6A, route de Trèves, L-2633 Senningerberg
- DJE REAL ESTATE, 4, rue Thomas Edison, L-1445 Luxembourg-Strassen
- FIDESSA FUND, 12, rue Eugène Ruppert, L-2453 Luxembourg
- LEUMI GLOBAL MANAGERS FUND, 33, boulevard du Prince Henri, L-1724 Luxembourg
- PRAETOR SICAV, 23, avenue de la Porte Neuve, L-2227 Luxembourg
- TOTAL RETURN PLUS, 1C, Parc d'activité Syrdall, L-5365 Munsbach
- UNIEURORENTA 2009, 308, route d'Esch, L-1471 Luxembourg
- UNIEXTRA: EUROSTOXX 50, 308, route d'Esch, L-1471 Luxembourg
- UNIFAVORIT, 308, route d'Esch, L-1471 Luxembourg
- UNIGARANTPLUS: EUROPA (2011) IIB, 308, route d'Esch, L-1471 Luxembourg

### Withdrawals

- ACTIVEST LUX NEW HORIZON, 4, rue Alphonse Weicker, L-2721 Luxembourg
- CREDIT SUISSE ALTERNATIVE STRATEGIES TRUST (LUX), 5, rue Jean Monnet, L-2180 Luxembourg
- DBI-LUX KAPITALAKTIV, 6A, route de Trèves, L-2633 Senningerberg
- DEXIA ASIA PREMIER, 69, route d'Esch, L-1470 Luxembourg
- EFFICIENCY GLOBAL FUND, 39, allée Scheffer, L-2520 Luxembourg
- ELGISTAN GLOBAL, 13, rue Goethe, L-1637 Luxembourg
- EUROPEAN MEDICAL VENTURES FUND, 14, boulevard Royal, L-2449 Luxembourg
- EUROPEAN SMALLER COMPANIES FUND, 39, allée Scheffer, L-2520 Luxembourg
- EUROPHENIX FUND, 5, rue Jean Monnet, L-2180 Luxembourg
- FORTIS JAPAN FONDS S.A., 14, rue Aldringen, L-1118 Luxembourg
- GERRARD INTERNATIONAL FUND, 13, rue Goethe, L-1637 Luxembourg
- INTER MULTI INVESTMENT, 5, rue Jean Monnet, L-2180 Luxembourg
- OREADES, 23, avenue de la Porte-Neuve, L-2227 Luxembourg
- PAN ASIA SPECIAL OPPORTUNITIES FUND II, 69, route d'Esch, L-1470 Luxembourg
- TARGET MULTI STYLE INDEX, 11, rue Aldringen, L-1118 Luxembourg

# Financial centre

Main updated figures regarding the financial centre:

Number of banks: **167** (31 July 2004)

Balance sheet total: **EUR 684.339 billion** (30 June 2004)

Profit before provision: **EUR 2.000 billion** (30 June 2004)

Employment: **22,470 people** (30 June 2004)

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Number of UCIs: **1,925** (10 August 2004)

Total net assets: **EUR 1,046.820 billion** (30 June 2004)

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Number of pension funds: **11** (30 June 2004)

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Number of management companies: **13** (31 July 2004)  
(Chapter 13 of the Law of 20 December 2002)

Balance sheet total: **EUR 867.918 million** (30 June 2004)

Employment: **419 people** (30 June 2004)

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Number of PFS: **159** (31 July 2004)

Balance sheet total: **EUR 33.399 billion** (30 June 2004)

Net profit: **EUR 232.98 million** (30 June 2004)

Employment: **4,928 people** (30 June 2004)

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Total employment in the supervised establishments: **27,082 people** (31 Dec. 2003)

Total employment in the supervised establishments: **27,817 people** (30 June 2004)

## CSSF Newsletter

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