

PRESS RELEASE

■ PROFIT AND LOSS ACCOUNT OF CREDIT INSTITUTIONS AS AT 30 SEPTEMBER 2009

On the basis of provisional figures¹, the Commission de Surveillance du Secteur Financier estimates profit before provisions of the Luxembourg banking sector at EUR 4,869 million as at 30 September 2009, representing a 27.8% increase as compared to 30 September 2008 when profit before provisions amounted to EUR 3,810 million.

The profits and losses indicated by the banks in the third quarter are in line with the results published on 30 June 2009.

Concerning the income side, the re-financing conditions which still remain favourable resulted in an increase in interest income. As far as the interest-rate margin (which includes interest income and dividends) is concerned, this positive development in the interest income was largely offset by the decrease in dividend income. These dividends relating to the very good results in 2007 were particularly high in 2008. Therefore, the interest-rate margin (including dividends) rose only very moderately to a total of EUR 5,066 million.

The commissions received dropped by 14.8% year-on-year. This decrease results from the financial crisis and the fall in stock market values. They reduce the assets under management which form the basis for the calculation of management fees and they discourage stock exchange operations which create brokerage commissions.

The important increase of EUR 1,281 million in other net income is largely due to the fair value changes of securities held by banks. In the context of the financial crisis, the 2008 overall decrease on the financial markets negatively affected the value of these securities as is shown by the accounting loss of EUR 635 million recorded in item "Other net income" during the third quarter of 2008. Consequently, the decline in the risk premiums requested by investors contributed to the rise in these securities' market values and the other net income now records a surplus of EUR 646 million.

Overall, banking income rose by 13.0% year-on-year.

Having regard to the 3.6% decline in general expenses, profit before provisions increased by 27.8% as compared to 30 September 2008. Insofar as the economic development did not cause a significant increase in impairments, the net profit which takes into account the provisions not included in the table below also went up.

Profit and loss account as at 30 September 2009

Items in million EUR	September 2008	September 2009	%
Interest-rate margin ²	4,986	5,066	+1.6%
Commissions received	2,859	2,436	-14.8%
Other net income	-635	646	
Banking income	7,210	8,148	+13.0%
Staff costs	-1,874	-1,829	-2.4%
Other general expenses	-1,526	-1,450	-5.0%
General expenses	-3,400	-3,279	-3.6%
Profit before provisions	3,810	4,869	+27.8%

Luxembourg, 21 October 2009

¹ Survey carried out on a sample of 99.98% of the profit before provisions of the financial year 2008.

² Including dividends received from subsidiaries