

## PRESS RELEASE

### ■ CREDIT INSTITUTIONS' PROFIT AND LOSS ACCOUNTS AS AT 30 JUNE 2007

Based on provisional figures as at 30 June 2007<sup>1</sup>, the Commission de Surveillance du Secteur Financier estimates gross profit before provisions of the Luxembourg banking sector at EUR 3,166 million. This amount represents a 9.7% increase as compared to 30 June 2006, when profit before provisions reached EUR 2,885 million.

Banking activities still benefit from the positive economic and financial situation which entails a rise in the different categories of banking income. As a result of stock market performance, commissions received increased by 10.4% year-on-year. Interest-rate margin rose by 27.4%. This rise is equally attributable to securities income and intermediation income which grew with the rates of return and volumes of intermediation. Only other net income recorded a significant drop as compared to June 2006. It should be borne in mind that this income had been unusually high in the first half of 2006 owing to extraordinary revenues earned by one bank in the financial centre.

As far as expenses are concerned, general expenses increased by 11.4%. Their growth rate exceeded the growth rate of income by 1%.

As regards profit before provisions, the 9.7% growth is actually 27.7% when disregarding the non-recurrent effects associated with the aforementioned capital gain.

Profit and loss account as at 30 June 2007

Items in million EUR	June 2006	June 2007	%	% (except for extraordinary revenues)
Interest-rate margin <sup>2</sup>	2,038	2,596	27.4%	27.4%
Commissions received	1,842	2,034	10.4%	10.4%
Other net income	851	591	-30.5%	33.8%
<b>Banking income</b>	<b>4,730</b>	<b>5,221</b>	<b>10.4%</b>	<b>20.7%</b>
Staff costs	1,011	1,125	11.3%	11.3%
Other general expenses	834	929	11.4%	11.4%
General expenses	1,845	2,055	11.4%	11.4%
<b>Profit before provisions</b>	<b>2,885</b>	<b>3,166</b>	<b>9.7%</b>	<b>27.7%</b>

Luxembourg, 16 July 2007

1 Survey carried out on a sample of 95.7% of the profit before provisions of the financial year 2006.

2 Including dividends received from subsidiaries.