

PRESS RELEASE 10/22

■ PROFIT AND LOSS ACCOUNT OF CREDIT INSTITUTIONS AS AT 30 SEPTEMBER 2010

The Commission de Surveillance du Secteur Financier estimates results before provisions of the Luxembourg banking sector at EUR 3,925 million as at 30 September 2010. The result before provisions sharply decreased by 19.5% compared to the third quarter of 2009.

The profits and losses reported by the banks in the third quarter are in line with the results published on 30 June 2010. The interest-rate margin continued its decline on an annual basis due to the less attractive transformation conditions, whereas commissions received further progressed in the wake of the recovery of stock market values since their floor levels in the first quarter of 2009. Other net income which is greatly influenced by the fair value variations of securities held by banks continued to decrease. When taking these developments into account, the banking income dropped by 9.7% year-on-year.

In the light of the 4.9% increase of the general expenses which are partly due to the social expenditure generated by the cut in banking staff, the result before provisions decreased by 19.5% as at 30 September 2010 compared to last year.

Profit and loss account as at 30 September 2010

Items in million EUR	September 2009	September 2010	%
Interest-rate margin ¹	5,063	4,285	-15.4%
Commissions received	2,438	2,641	+8.4%
Other net income	658	442	-32.8%
Banking income	8,159	7,368	-9.7%
Staff costs	1,830	1,907	+4.2%
Other general expenses	1,451	1,537	+5.9%
General expenses	3,281	3,443	+4.9%
Result before provisions	4,878	3,925	-19.5%

Luxembourg, 2 November 2010

¹ Including dividends received from subsidiaries