

PRESS RELEASE 11/25

■ PROFIT AND LOSS ACCOUNT OF CREDIT INSTITUTIONS AS AT 30 JUNE 2011

Based on provisional figures, the CSSF estimates profit before provisions of the Luxembourg banking sector at EUR 2,921 million for the first half of 2011. Compared to the same period in 2010, profit before provisions would thus have increased by 25.3%.

The rise in profit before provisions is however largely due to **non-recurrent events of "other net income"** of a limited number of banks, i.e. fair value changes of securities portfolios whose development has been particularly positive year-on-year.

Recurrent operational income, i.e. interest income and commissions, are in line with the results published on 31 March 2011. As for **interest-rate margin**, the trend remained bearish (-0.8%) while **commissions received** continued to grow (+6.8%). Nevertheless, the developments recorded for these two items are less important than in the previous periods.

General expenses remain almost unchanged while staff costs dropped by 2.2% in a context of declining employment.

Overall, the above indicated factors taken as a whole would thus result in apparent profits before provisions for the first half of 2011 which would increase by 25.3% compared to last year. **Disregarding other net income, the growth would reach 4.1%.**

Profit and loss account as at 30 June 2011

Items in million EUR	June 2010	June 2011	%
Interest-rate margin ¹	2,902	2,878	-0.8%
Commissions received	1,798	1,920	+6.8%
Other net income	-76	414	
Banking income	4,624	5,212	+12.7%
Staff costs	1,274	1,245	-2.2%
Other general expenses	1,019	1,046	+2.6%
General expenses	2,293	2,292	-0.1%
Result before provisions	2,330	2,921	+25.3%

Luxembourg, 19 July 2011

¹ Including dividends received from subsidiaries