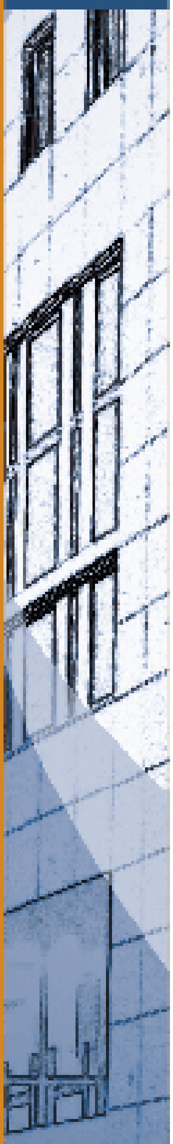

# PRESS RELEASE 13/17

## PROFIT AND LOSS ACCOUNT OF CREDIT INSTITUTIONS AS AT 31 MARCH 2013

**The CSSF estimates profit before provisions of the Luxembourg banking sector at EUR 1,275 million for the first quarter of 2013. Compared to the same period in 2012, profit before provisions thus decreased by 9%.**

The decrease of the profit before provisions is due to the drop of the interest income and the increase in the staff costs.

As far as income is concerned, the decrease in the **interest-rate margin** has continued since the first quarter 2009, when this margin reached nearly 2 billion EUR. The decrease occurred within the general context of the decrease in the banks' balance sheets and the very low interest rate level. On 31 March 2013, the decrease reached 16.3% year-on-year. As far as **commissions received** are concerned, the first quarter 2013 results in a 5.1% increase. This increase mainly results from the administrative and management services provided by Luxembourg banks to investment funds.

Overall, banking income as measured by the banking income dropped by 3.4% during a year. In parallel, the general expenses increased by 2.8% due to the significant increase in **staff costs** (+5.3%). The increase in staff costs is attributable to the costs linked to headcount reduction carried out by some banks of the financial centre.

The aggregated amount of the aforementioned developments results in a 9% decrease of the profit before provisions year-on-year.

### Profit and loss account as at 31 March 2013

| Items in million EUR | March 2012 | March 2013 | % |
|---|---|---|---|
| Interest-rate margin[1] | 1,394 | 1,167 | -16.3% |
| Commissions received | 1,004 | 1,056 | 5.1% |
| Other net income | 241 | 326 | 35.1% |
| **Banking income** | **2,639** | **2,548** | **-3.4%** |
| Staff costs | 666 | 702 | +5.3% |
| Other general expenses | 572 | 572 | -0.1% |
| **General expenses** | **1,238** | **1,273** | **+2.8%** |
| **Result before provisions** | **1,401** | **1,275** | **-9%** |

Luxembourg, 19 April 2013

[1] Including dividends received from subsidiaries