

PRESS RELEASE 13/43

■ PROFIT AND LOSS ACCOUNT OF CREDIT INSTITUTIONS AS AT 30 SEPTEMBER 2013

The CSSF estimates profit before provisions of the Luxembourg banking sector at EUR 4,273 million as at 30 September 2013. Compared to the same period in 2012, profit before provisions thus grew by 13%.

The results recorded by the banks in the third quarter continue the trend of the two previous quarters. The **interest-rate margin** continued on a downward trend compared to the previous year (-7.6%). This decline translates the drop in banks' balance sheets and the very low interest rates. As regards **commissions received** and **other net income**, the favourable stock market climate led to a growth of 8.4% and 157.3%, respectively. The improvement of other net income, which is very volatile, matches the growth in valuation of securities portfolios following the positive development of their market prices.

As a whole, banking sector earnings as measured by banking income grew by 7.9% over a year.

General expenses rose by 2.6% year-on-year. This increase stems from the rise in **staff costs** alone, as general administrative expenses remained unchanged. The important increase in staff costs (+5.1%) is mainly attributable to the costs linked to workforce reductions of some banks of the financial centre.

The sum of the aforementioned developments results in a 13% increase of the profit before provisions year-on-year.

Profit and loss account as at 30 September 2013

Items in million EUR	September 2012	September 2013	%
Interest-rate margin ¹	4,158	3,841	-7.6%
Commissions received	2,827	3,064	8.4%
Other net income	424	1,092	157.3%
Banking income	7,409	7,996	7.9%
Staff costs	1,935	2,034	5.1%
Other general expenses	1,694	1,689	-0.3%
General expenses	3,629	3,723	2.6%
Result before provisions	3,780	4,273	13.0%

Luxembourg, 22 October 2013

¹ Including dividends received from subsidiaries