

PRESS RELEASE 12/19

■ PROFIT AND LOSS ACCOUNT OF CREDIT INSTITUTIONS AS AT 31 MARCH 2012

Based on provisional figures, the CSSF estimates profit before provisions of the Luxembourg banking sector at EUR 1,427 million for the first quarter of 2012. Compared to the same period in 2011, profit before provisions thus decreased by 11.5%.

As at 31 March 2012, three big categories of income reported in the profit and loss account of the Luxembourg banking sector registered a fall resulting in a banking income lower by 4.7% compared to that of the first quarter of 2011. As regards the **interest-rate margin**, the annual decrease reached 0.9%. This moderate decline results from the individual developments of a limited number of banks of the financial centre (closing, decrease in the balance sheet or change in the accounting treatment). Thus three-fifth of the Luxembourg banks have an interest rate margin that is growing at the same time as their balance sheet total. The important drop of EUR 85 million over a year in **other net income** may also be interpreted in the light of specific situations. It includes, in particular, unrealised or realised losses that a limited number of banks of the financial sector registered in their securities portfolio valued at market price. Finally, the **net commission received** reached only EUR 1,025 million compared to the excellent first quarter 2011 during which the Luxembourg banks realised net commission profit of EUR 1,059 million.

General expenses recorded a growth of 4.4% due to the effects of the expenses other than staff costs which increased by 7.4% in a year.

Overall, the above indicated factors taken as a whole resulted in a gross profit before provisions which decreased by 11.5% compared to last year.

Profit and loss account as at 31 March 2012

Items in million EUR	March 2011	March 2012	%
Interest-rate margin ¹	1,426	1,413	-0.9%
Commissions received	1,059	1,025	-3.2%
Other net income	338	253	-25.2%
Banking income	2,823	2,691	-4.7%
Staff costs	665	678	+2.0%
Other general expenses	545	585	+7.4%
General expenses	1,210	1,264	+4.4%
Result before provisions	1,613	1,427	-11.5%

Luxembourg, 4 May 2012

¹ Including dividends received from subsidiaries