

PRESS RELEASE 12/42

■ PROFIT AND LOSS ACCOUNT OF CREDIT INSTITUTIONS AS AT 30 SEPTEMBER 2012

The CSSF estimates profit before provisions of the Luxembourg banking sector at EUR 3,716 million for the first three quarters of 2012. Compared to the same period in 2011, profit before provisions thus decreased by 11.1%.

As at 30 September 2012, the profit and loss account of the Luxembourg banking sector continued to be characterised by very difficult economic and financial conditions. On the income side, the interest-rate margin's continuing decline was linked to intermediation margins that remained at a very low level. However, it should be noted that the extent of the downturn (-5.5%) was linked to a German bank that closed its activities in Luxembourg and whose intermediation profits represented 3% of the interest margin for the financial year 2011. As a consequence, the interest margin is reduced by the same extent for the financial year 2012 compared to last year. As far as commissions received are concerned, the very uncertain stock exchange context brought along declining income in wealth management activities.

Overall, **banking income** dropped by 4.9% year-on-year.

Considering the 2.5% increase in the **general expenses**, the result before provisions decreased by 11.1% year-on-year, in accordance with the observations made for the first two quarters of 2012.

Profit and loss account as at 30 September 2012

Items in million EUR	September 2011	September 2012	%
Interest-rate margin ¹	4,342	4,105	-5.5%
Commissions received	2,917	2,822	-3.3%
Other net income	433	387	-10.5%
Banking income	7,691	7,314	-4.9%
Staff costs	1,901	1,922	+1.1%
Other general expenses	1,609	1,676	+4.2%
General expenses	3,510	3,598	+2.5%
Result before provisions	4,181	3,716	-11.1%

Luxembourg, 18 October 2012

¹ Including dividends received from subsidiaries