

PRESS RELEASE 14/07

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

The CSSF estimates profit before provisions of the Luxembourg banking sector at EUR 5,250 million as at 31 December 2013. Compared to the same period in 2012, profit before provisions thus grew by 9%.

As at 31 December 2013, **banking income**, representing total banking revenue, grew by 6.1% over a year. This growth is due to other net income, which are very volatile, and whose EUR 854 million rise reflects the increase over a year of the market valuations of securities portfolios. The positive stock exchange climate is also mirrored in the commissions received which rose by 6.8% over one year. In contrast, interest-rate margin declined by 9% over the same period. This fall reflects the continuous reduction of banking balance sheets and the very low levels of interest rates.

General expenses rose by 3.4% year-on-year. The sustained increase in staff costs (+4.3%) is mainly attributable to the costs linked to headcount reduction carried out by some banks of the financial centre.

The sum of the aforementioned developments results in a 9% increase of the profit before provisions year-on-year.

Profit and loss account as at 31 December 2013

Items in million EUR	December 2012	December 2013	%
Interest-rate margin ¹	5,551	5,049	-9.0%
Commissions received	3,705	3,956	6.8%
Other net income	578	1,432	147.9%
Banking income	9,834	10,437	6.1%
Staff costs	2,637	2,749	4.3%
Other general expenses	2,381	2,438	2.4%
General expenses	5,017	5,187	3.4%
Profit before provisions	4,816	5,250	9.0%

Luxembourg, 24 January 2014

¹ Including dividends received from subsidiaries