

## PRESS RELEASE 14/26

### ■ PROFIT AND LOSS ACCOUNT OF CREDIT INSTITUTIONS AS AT 31 MARCH 2014

The CSSF estimates profit before provisions of the Luxembourg banking sector at EUR 1,368 million for the first half of 2014. Compared to the same period in 2013, profit before provisions thus increased by 4.5%.

Increase in profit and loss account arose as a result of decrease in staff costs and growth in other net income.

The first quarter of 2014 ended with a fall in recurring income. Consequently, **interest-rate margin** and **net commissions received** decreased by 0.4% and 3.1%, respectively, year-over-year. Only non-recurring income increased. On the basis of capital gains from asset disposals realised by a limited number of banks of the financial centre, **other net income** increased by EUR 84 million over a year.

Overall, revenue from the banking sector, as measured by banking income, increased by 1.7% over a year.

**General expenses** decreased by 1.1% due to the restructuring and cost control efforts made by banks in response to the continued compression of their recurring income.

The sum the above-mentioned developments resulted in a year-over-year 4.5%-increase in profit and loss account.

#### Profit and loss account as at 31 March 2014

Items in million EUR	March 2013	March 2014	%
Interest-rate margin <sup>1</sup>	1,187	1,182	-0.4%
Commissions received	1,132	1,097	-3.1%
Other net income	328	412	25.7%
<b>Banking income</b>	<b>2,647</b>	<b>2,691</b>	<b>1.7%</b>
Staff costs	740	725	-2.0%
Other general expenses	599	599	0.0%
<b>General expenses</b>	<b>1,339</b>	<b>1,324</b>	<b>-1.1%</b>
<b>Result before provisions</b>	<b>1,308</b>	<b>1,368</b>	<b>4.5%</b>

Luxembourg, 25 April 2014

<sup>1</sup> Including dividends received from subsidiaries