

News release FOR IMMEDIATE RELEASE

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PSF sector remains resilient despite turbulent times

Deloitte Luxembourg's eleventh annual whitepaper, 'Outlook and future of a persistent sector in turbulent times', provides detailed analysis of the Professionals of the Financial Sector (PSF), presenting key developments and trends in the rapidly changing field.

Luxembourg, 14 December 2020: The recent release of Deloitte Luxembourg's analysis of the PSF market demonstrates the robustness of the field in spite of a slight decrease in the number of entities and employees in recent years. PSF accounts for 270 entities at the end of September 2020 and 16,000 professionals employed as of August 2020.

In recent years, and even more so in recent months, PSF has adapted to numerous regulatory changes, continuously developing and improving so as to remain viable. In adjusting to new regulations and constraints imposed by the COVID-19 pandemic and in seeking to stay ahead of the curve, many players in the industry have reimagined their service offerings and business delivery models, leveraging opportunities offered by new technologies and digitalization.

"Luxembourg, as a global financial hub, has a reputation for quality services among clients. This reputation is due in part to the expertise of the PSF sector in the Grand Duchy. Expertise allows for PSFs to focus on their core businesses and is of particular import in light of the constant evolution of the global regulatory and technological environment. A strong PSF must be able to anticipate and adapt to the needs of tomorrow," explains Adil Sebbar, Audit Director at Deloitte Luxembourg. *"In these challenging times, it is crucial that PSF invest in new talent, talent retention and digitalization, in order to reinforce the strength and agility of the market."*

PSF remains a strong source of employment

Despite the decreases in the number of employees in the PSF sector from the end of 2019 to 30 September 2020, the sector continues to represent 35 percent of the employees working in Luxembourg's financial sector. The sum of the balance sheets of all PSF amounted to €9

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billion as at December 31, 2019, which remains stable when compared to end of 2018. According to data issued by the *Commission de Surveillance du Secteur Financier* (CSSF), as at 30 September 2020, PSF had a provisional net profit of €174 million (investments firms and specialized PSF accounting respectively for €75 million and €62 million).

"In 2020, not unlike other business sectors, PSF have experienced unexpected disruption due to the COVID-19 pandemic. This being said, PSF have shown noteworthy resilience. The sector has successfully implemented the measures recommended by the CSSF, all the while remaining consistent and showing limited setbacks in their results at the end of 2020. This grit and determination demonstrates a strong basis for future growth and development," noted Raphael Charlier, Audit Partner and PSF Leader at Deloitte Luxembourg.

The full version of the whitepaper is available in English at: www.deloitte.com/lu/psf