

Luxembourg, 6 April 2016

## Interest rates

The Banque centrale du Luxembourg (BCL) informs that, based on preliminary data, the main interest rates applied by Luxembourg's credit institutions to households and euro area non-financial corporations (NFCs) for their loans and deposit operations have on average evolved as follows in February 2016.

### **Representative interest rates on new contracts<sup>1</sup> – loans and deposits – concluded with households**

On a monthly basis, the variable<sup>2</sup> interest rate on mortgage loans granted to households has continued to increase, by 2 basis points on a monthly basis, going from 1.78% in January 2016 to 1.80% in February 2016. The volume of these newly granted loans has decreased by 30 million euros compared to January 2016 and has consequently reached 146 million euros in February 2016. On a yearly basis, this interest rate has declined by 6 basis points, whereas the volume of newly granted loans has decreased by 33 million euros.

The fixed<sup>3</sup> interest rate on mortgage loans granted to households has continued the downward trend it embarked on during the second half of 2015, reaching 1.84% during February 2016 against 1.86% during last reference period. The volume of these newly granted loans has increased by 23 million euros on a monthly basis to reach 190 million euros during February 2016. Compared to the month of February 2015, this interest rate has decreased by 12 basis points and the volume of newly granted loans has increased by 62 million euros.

---

1 New contracts refer to any new agreement concluded between the household or the non-financial corporation and the reporting agent. New contracts include all financial contracts which mention for the first time the interest rate pertaining to the deposit or credit and all renegotiations of existing deposits or credits.

2 Variable interest rate or rate with an initial fixation period inferior or equal to 1 year.

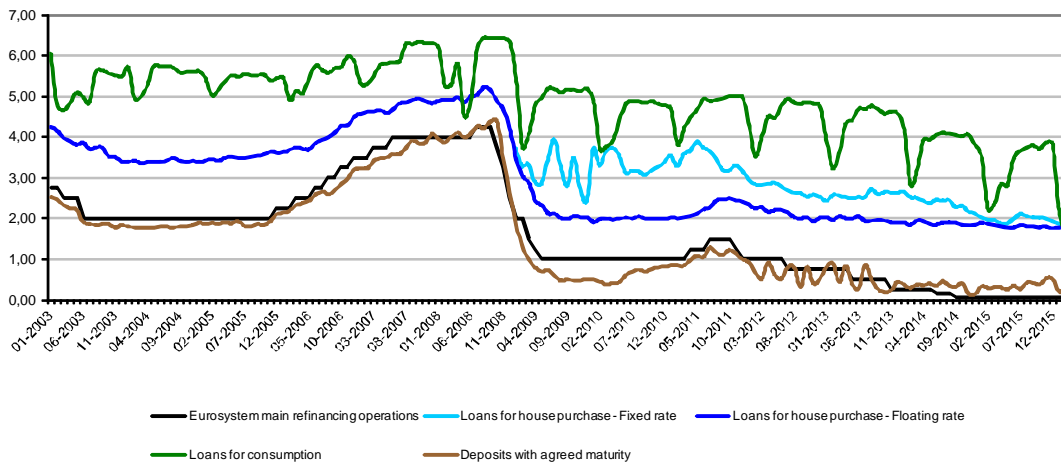
3 Fixed interest rate weighted by the amounts of contracts for all mortgage loans granted, whatever the initial rate fixation period (above 1 year). This series has been published by the BCL since February 2009 only for methodological reasons linked to the identification of reporting agents.

## Statistical press release

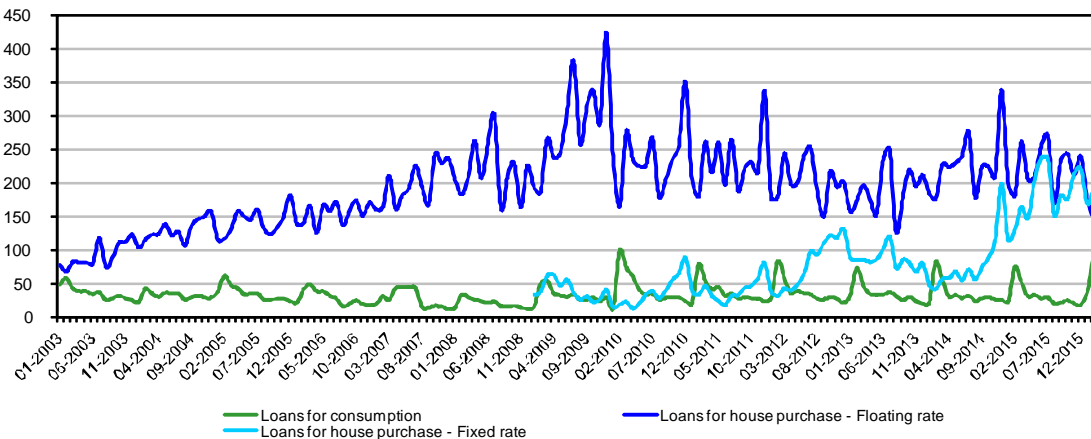
Interest rates on consumer loans that have an initial fixation period above 1 year and below or equal to 5 years decreased significantly, from 2.17% in January 2016 to 1.60% in February 2016, against the background of more favorable credit conditions due to the car festival held in early-2016. The volume of these newly granted loans has increased by 55 million euros compared to January 2016 and has reached 90 million euros in February 2016. On a yearly basis, this interest rate has decreased by 59 basis points and the volume of newly granted loans has increased by 16 million euros.

The interest rate on households' fixed-term deposits that have an initial maturity below or equal to 1 year, has increased from 0.19% in January 2016 to 0.27% in February 2016. On a yearly basis, this interest rate remains relatively stable.

Representative interest rates on new contracts – loans and deposits – concluded with households



Volume of newly granted loans to households (millions euros)



## Statistical press release

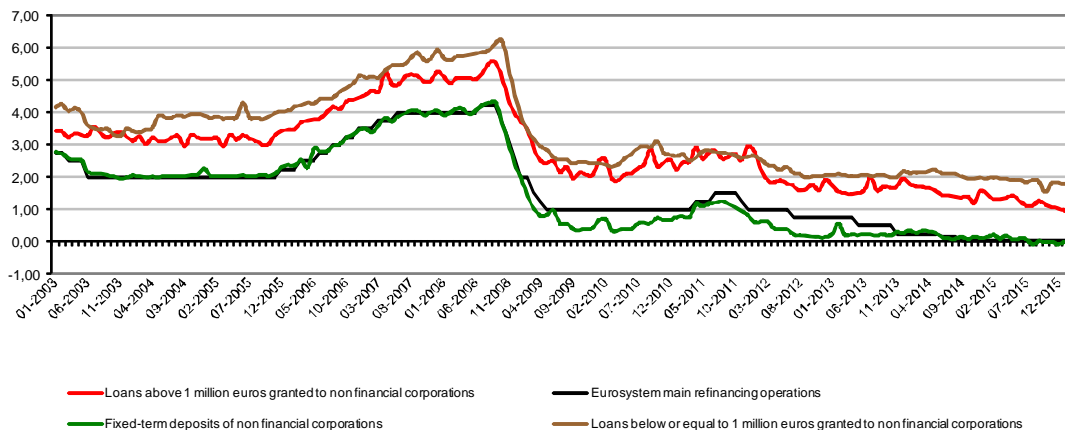
### Representative interest rates on new contracts<sup>1</sup> – loans and deposits - concluded with NFCs

The variable<sup>2</sup> interest rate on loans below or equal to 1 million euros granted to NFCs remained relatively stable on a monthly basis and has reached 1.79% during February 2016. The volume of newly granted loans has amounted to 855 million euros, a decrease of 12 million euros compared to the previous reference period. On a yearly basis, this interest rate has decreased by 20 basis points and the volume of newly granted loans has increased by 3 million euros.

The variable<sup>2</sup> interest rate on loans above 1 million euros granted to NFCs has increased by 7 basis points over one month, reaching 1.01% in February 2016. The volume of these newly granted loans has increased by 882 million euros on a monthly basis and has consequently reached 11 109 million euros. On a yearly basis, this interest rate has decreased by 27 basis points and the volume of newly granted loans has increased by 2 453 million euros.

The interest rate on fixed-term deposits of NFCs with an initial maturity below or equal to 1 year has reached –13 basis points in February 2016, its minimum historical value. However, this evolution must be interpreted with caution because the weightings of individual contracts are very volatile for this kind of financial instruments.

Representative interest rates on new contracts – loans and deposits - concluded with non financial corporations



## Statistical press release

The tables pertaining to interest rates applied to credit institutions can be consulted and/or downloaded on the BCL's website on the following pages:

[http://www.bcl.lu/en/statistics/series\\_statistiques\\_luxembourg/03\\_Capital\\_markets/index.html](http://www.bcl.lu/en/statistics/series_statistiques_luxembourg/03_Capital_markets/index.html)

## Weighting method

The interest rates applied to new contracts are weighted within the categories of instruments concerned by the amounts of individual contracts. This results from the compilation of national aggregates carried out by reporting credit institutions and by the BCL.

If you have any further questions, we are at your disposal at the following phone number 4774-4243 /-4265.



**Département Relations internationales et communication**

Section Communication L-2983 Luxembourg

Télécopieur: +352 4774-4910

[info@bcl.lu](mailto:info@bcl.lu)