

Luxembourg, 19 August 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 euro area households and non-financial corporations (NFCs) for their loans and deposit operations have on average evolved as follows in June 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 decreased by 4 basis points, going from 1.70% in May 2016 to 1.66% in June 2016. The volume of these newly granted loans has increased by 37 million euros compared to May 2016 and has consequently reached 222 million euros in June 2016. On a yearly basis, this interest rate has declined by 6 basis points and the volume of newly granted loans has decreased by 8 million euros.

The fixed<sup>3</sup> interest rate on mortgage loans granted to households has decreased by 7 basis points, reaching 1.66% in June 2016. The volume of these newly granted loans has increased by 14 million euros on a monthly basis and has consequently amounted to 230 million euros during June 2016. Compared to the month of June 2015, this interest rate has decreased by 36 basis points and the volume of newly granted loans has decreased by 28 million euros.

The interest rate on consumer loans that have an initial fixation period above 1 year and below or equal to 5 years has increased by 15 basis points with respect to the previous

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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.

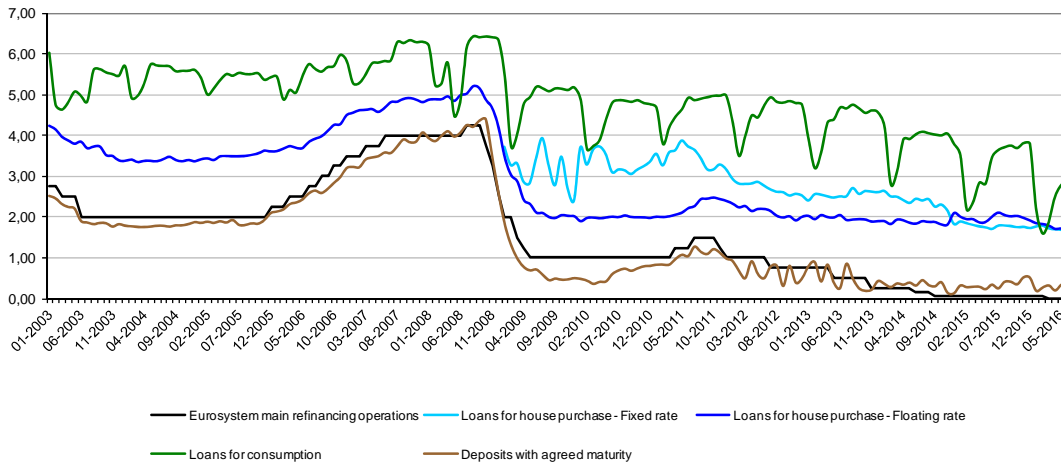
3 Fixed interest rate weighted by the amounts of contracts for all mortgage loans granted, whatever the initial rate fixation period (above 1 year). This series has been published by the BCL since February 2009 only for methodological reasons linked to the identification of reporting agents.

## Statistical press release

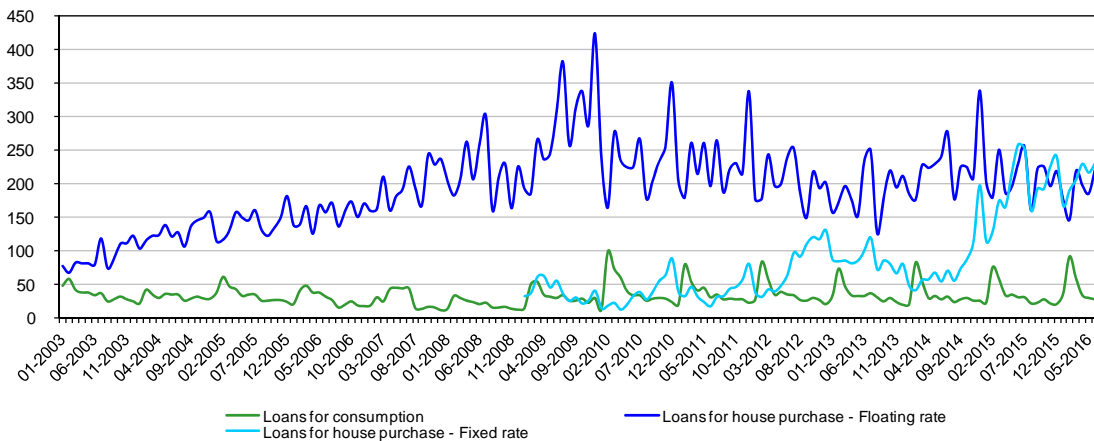
reference month and has consequently reached 2.94% in June 2016. The volume of these newly granted loans has decreased by 2 million euros on a monthly basis and has amounted to 27 million euros during June 2016. On a yearly basis, this interest rate has decreased by 52 basis points and the volume of newly granted loans has decreased by 3 million euros.

The interest rate on households' fixed-term deposits that have an initial maturity below or equal to 1 year has remained unchanged, staying at 0.34% in June 2016. On a yearly basis, this interest rate has also remained unchanged.

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



Volume of newly granted loans to households (millions euros)



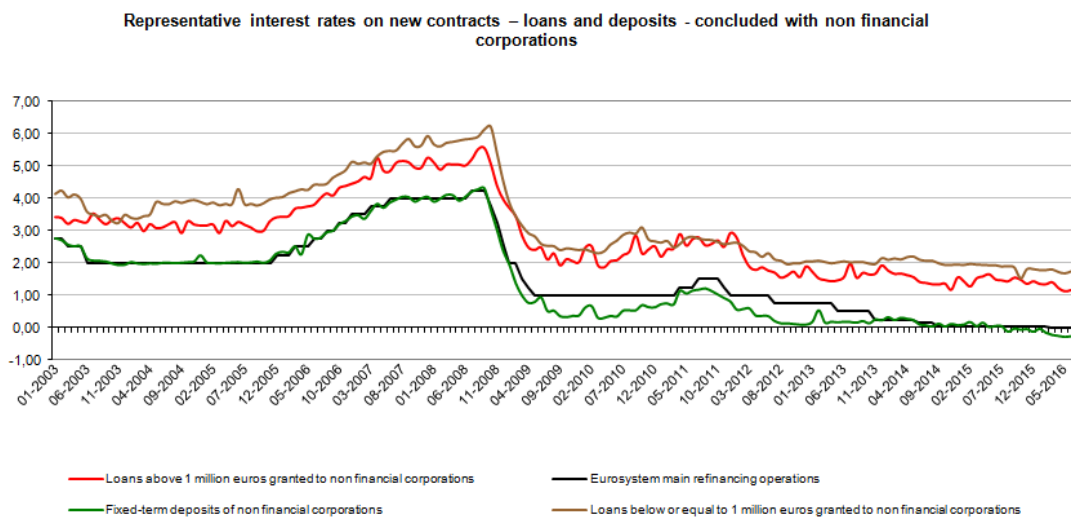
## Statistical press release

### 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 has increased by 6 basis points on a monthly basis to reach 1.76% in June 2016. The volume of newly granted loans has increased by 132 million euros, reaching 938 million euros in June 2016. On a yearly basis, this interest rate has decreased by 19 basis points, whereas the volume of newly granted loans has increased by 41 million euros.

As mentioned in the previous press release, the statistical series related to the variable<sup>2</sup> interest rate on loans above 1 million euros granted to NFCs has been updated in order to reflect the revisions sent by a large bank. Based on the latest information available, the interest rate for this type of loans has increased by 4 basis points, going from 1.13% in May 2016 to 1.17% in June 2016. The volume of these newly granted loans has increased by 1 420 million euros on a monthly basis and has consequently reached 8 695 million euros. On a yearly basis, this interest rate has decreased by 33 basis points and the volume of newly granted loans has increased by 554 million euros.

The interest rate on fixed-term deposits of NFCs with an initial maturity below or equal to 1 year has reached –24 basis points in June 2016, compared to –26 basis points during the previous month.



## **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 question, we are at your disposal at the following phone number 4774-4265 /-4243.



### **International Relations and Communications Department**

Communications Section

L-2983 Luxembourg

Fax: +352 4774-4910

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