

## Statistical press release

Luxembourg, 18 September 2017

### 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 July 2017.

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

The variable<sup>2</sup> interest rate on mortgage loans granted to households has increased by 2 basis points on a monthly basis to reach 1.65% in July 2017. The volume of these newly granted loans has increased by 25 million euros on a monthly basis to reach 220 million euros during last reference period. On a yearly basis, the interest rate has increased by 24 basis points and the volume of newly granted loans has decreased by 69 million euros<sup>3</sup>.

The fixed<sup>4</sup> interest rate on mortgage loans granted to households has increased by 2 basis points on a monthly basis to reach 1.87% during July 2017. The volume of these newly

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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 It is worth pointing out that these yearly developments are largely attributable to base effects. Indeed, these interest rate statistics on new lending refer to households in the euro area. The figures for July 2016 have been revised in order to capture a large housing loan granted by one bank to non\_resident customers.

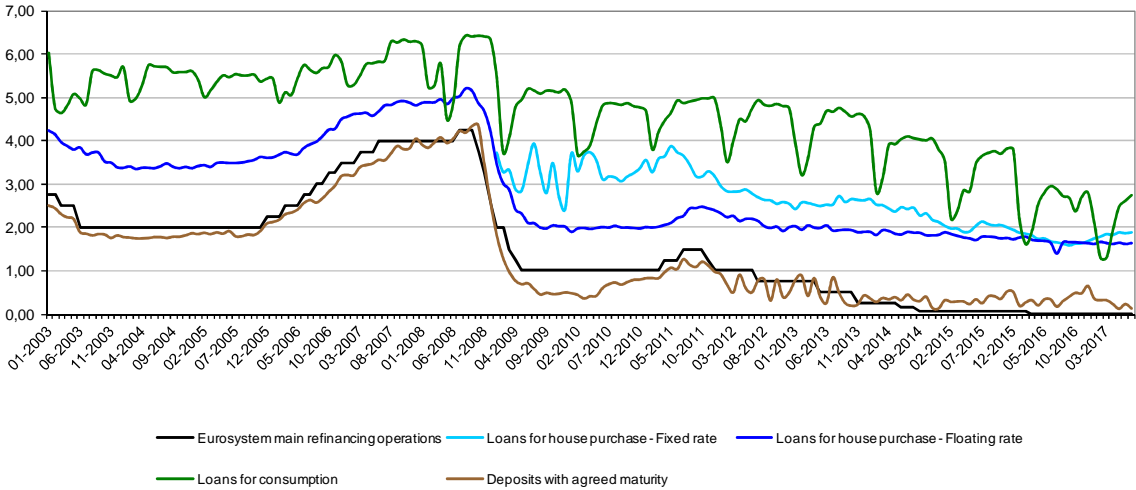
4 Fixed interest rate weighted by the amounts of contracts for all mortgage loans granted, whatever the initial rate fixation period (above 1 year). This series has been published by the BCL since February 2009 only for methodological reasons linked to the identification of reporting agents.

granted loans has increased by 29 million euros on a monthly basis and has consequently amounted to 327 million euros during the last reference period. On a yearly basis, this interest rate has increased by 23 basis points and the volume of newly granted loans has increased by 41 million euros.

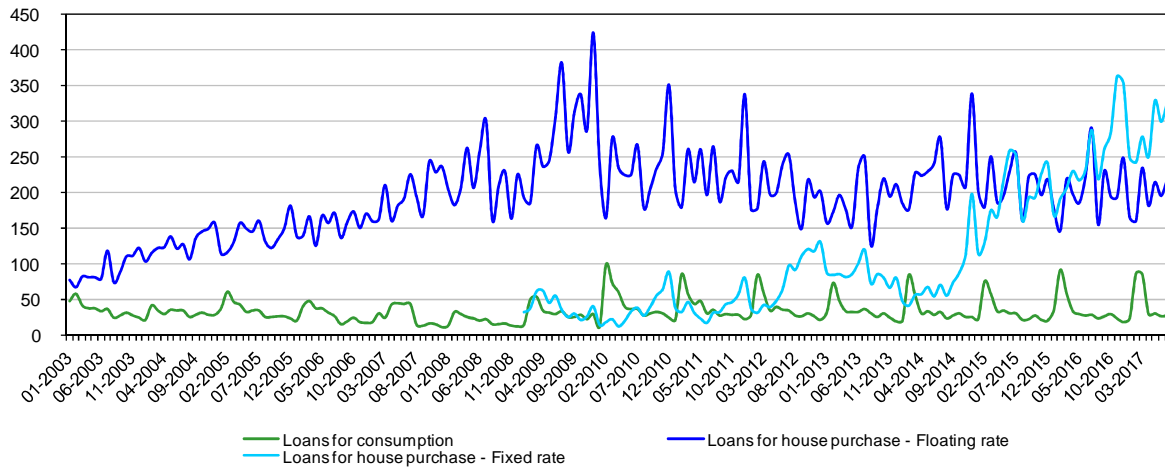
The interest rate on consumer loans that have an initial fixation period above 1 year and below or equal to 5 years has increased by 13 basis points compared to June 2017, reaching 2.73% in July 2017. The volume of these newly granted loans has remained broadly unchanged compared to the previous reference period to reach 27 million euros during July 2017. On a yearly basis, this interest rate has decreased by 14 basis points and the volume of newly granted loans has decreased by 1 million euros.

The interest rate on households' fixed-term deposits that have an initial maturity below or equal to 1 year has decreased by 10 basis points on a monthly basis to reach 13 basis points during July 2017.

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



Volume of newly granted loans to households (millions euros)



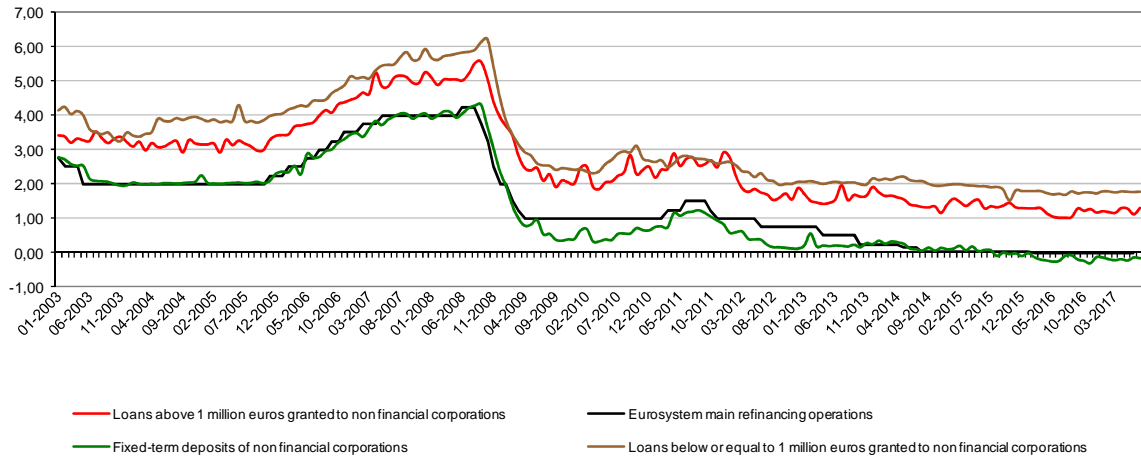
### Representative interest rates on new contracts<sup>1</sup> – loans and deposits – concluded with NFCs

The variable<sup>2</sup> interest rate on loans below or equal to 1 million euros granted to NFCs has barely changed on a monthly basis to reach 1.78% in July 2017. The volume of newly granted loans has decreased by 47 million euros, reaching 822 million euros during the last reference period. On a yearly basis, this interest rate has increased by 19 basis points and the volume of newly granted loans has increased by 33 million euros.

The variable<sup>2</sup> interest rate on loans above 1 million euros granted to NFCs has increased by 18 basis points to reach 1.32% during July 2017. The volume of these newly granted loans has decreased by 1 491 million euros on a monthly basis and has consequently reached 5 391 million euros. On a yearly basis, this interest rate has increased by 28 basis points whereas the volume of newly granted loans has decreased by 1 574 million euros.

The interest rate on fixed-term deposits of NFCs with an initial maturity below or equal to 1 year has decreased by 2 basis points on a monthly basis to reach -16 basis points in July 2017.

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



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.

For further information about this press release, please contact us by phone: 4774-4243 /-4265



International Relations and Communications department  
Communications section L-2983 Luxembourg  
Fax: + 352 4774-4910  
[info@bcl.lu](mailto:info@bcl.lu)