

Luxembourg, 25 January 2019

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 November 2018.

Representative interest rates on new contracts¹ – loans and deposits – concluded with households

The variable² interest rate on mortgage loans granted to households has increased by 4 basis points compared to October 2018 to reach 1.51% during November 2018 whereas the volume of these newly granted loans has remained broadly stable at 247 million euros. On a yearly basis, the interest rate has decreased by 10 basis points whereas the volume of newly granted loans has increased by 43 million euros.

The fixed³ interest rate on mortgage loans granted to households has remained broadly stable on a monthly basis to reach 1.92% during November 2018. The volume of these newly granted loans has decreased by 30 million euros on a monthly basis and has consequently amounted to 305 million euros during the last reference period. On a yearly basis, this interest rate has increased by 11 basis points and the volume of newly granted loans has increased by 24 million euros.⁴

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.

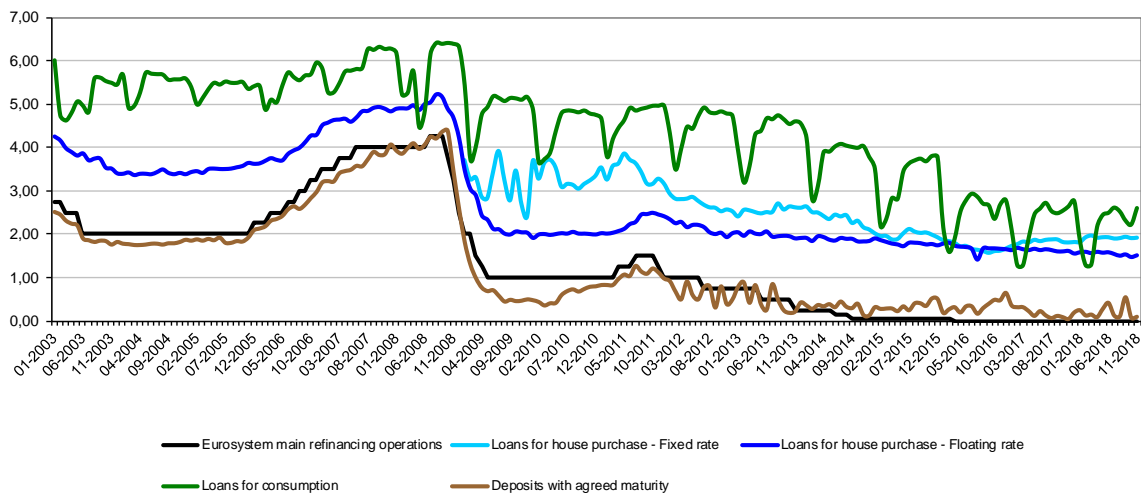
3 Fixed interest rate weighted by the amounts of contracts for all mortgage loans granted, whatever the initial rate fixation period (above 1 year). This series has been published by the BCL since February 2009 because of methodological reasons linked to the identification of reporting agents.

4 It is worth stressing that new lending volumes for housing loans granted at fixed rates have been revised between January 2017 and December 2017 due to reporting errors from one bank. The revised data provide a more accurate evolution of bank lending on a yearly basis. Despite the variation in volumes, the interest rate of such mortgage loans remains barely unchanged.

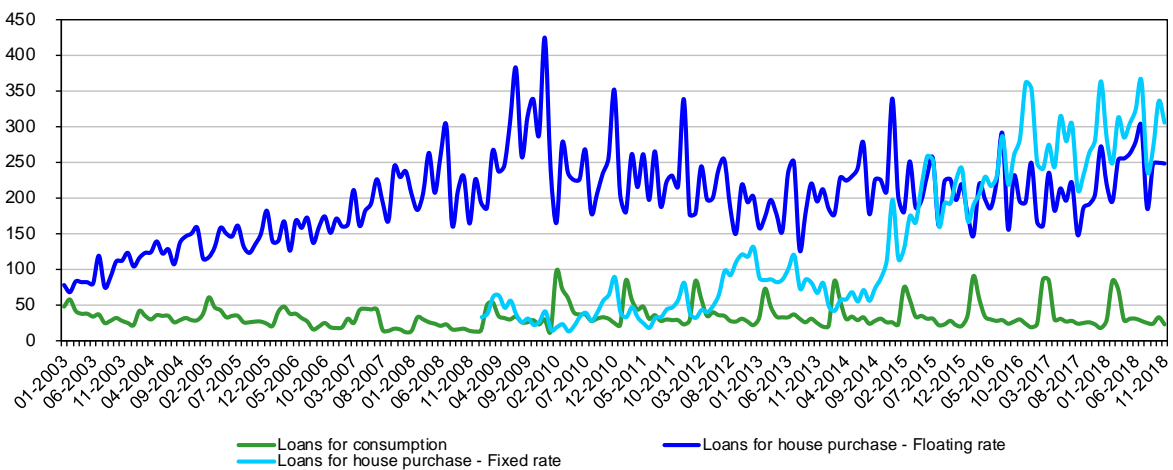
The interest rate on consumer loans that have an initial fixation period above 1 year and below or equal to 5 years has increased by 38 basis points on a monthly basis to reach 2.61% in November 2018 whereas the volume of newly granted loans has decreased by 10 million euros. On a yearly basis, the interest rate has decreased by 4 basis points whereas the volume of newly granted loans has remained unchanged.

The interest rate on households' fixed-term deposits that have an initial maturity below or equal to 1 year has increased by 2 basis points on a monthly basis to reach 10 basis points in November 2018.

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



Volume of newly granted loans to households (millions euros)



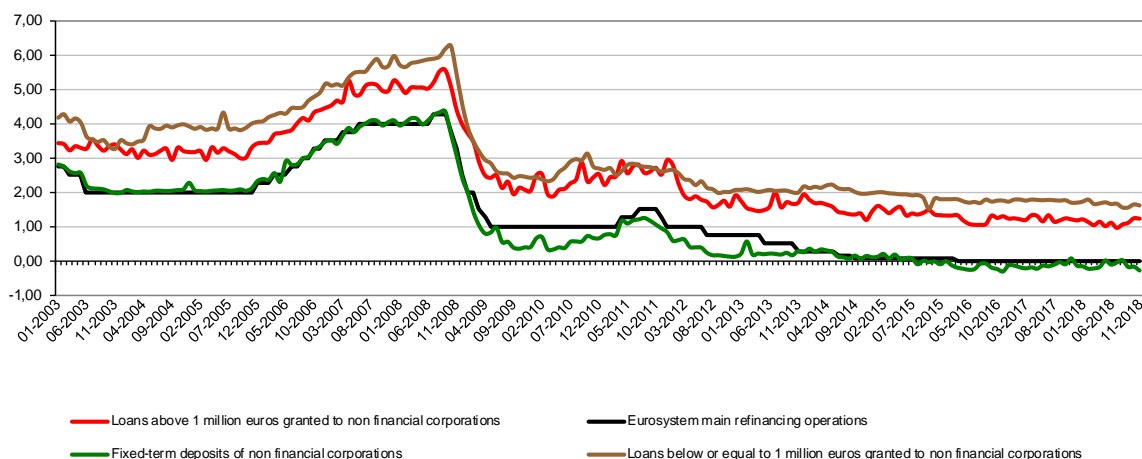
Representative interest rates on new contracts¹ – loans and deposits – concluded with NFCs

The variable² interest rate on loans below or equal to 1 million euros granted to NFCs has decreased by 3 basis points on a monthly basis to reach 1.62% in November 2018. The volume of newly granted loans has decreased by 57 million euros on a monthly basis, reaching 780 million euros in November 2018. On a yearly basis, this interest rate has decreased by 8 basis points and the volume of newly granted loans has decreased by 49 million euros.

The variable² interest rate on loans above 1 million euros granted to NFCs has remained broadly unchanged at 1.22% whereas the volume of these newly granted loans has increased by 1 220 million euros on a monthly basis and has consequently reached 5 816 million euros in November 2018. On a yearly basis, this interest rate has increased by 2 basis points whereas the volume of newly granted loans has increased by 321 million euros.

The interest rate on fixed-term deposits of NFCs with an initial maturity below or equal to 1 year has reached -28 basis points during last reference period from -17 basis points during October 2018.

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

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.

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