

Luxembourg, 8 June 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 April 2016.

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

On a monthly basis, the variable² interest rate on mortgage loans granted to households has decreased by 3 basis points, from 1.73% in March 2016 to 1.70% in April 2016. The volume of these newly granted loans has decreased by 20 million euros compared to March 2016 and has consequently reached 198 million euros in April 2016. On a yearly basis, this interest rate has declined by 10 basis points, whereas the volume of newly granted loans has decreased by 6 million euros.

The fixed³ interest rate on mortgage loans granted to households has decreased by 8 basis points on a monthly basis to reach 1.72% during April 2016, closing the gap with the variable rates on housing loans. The volume of these newly granted loans has increased by 24 million euros on a monthly basis and has consequently amounted to 229 million euros during April 2016, reaching a higher level than mortgage loans granted on a variable rate basis. Compared to the month of April 2015, this interest rate has decreased by 14 basis points and the volume of newly granted loans has increased by 83 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.

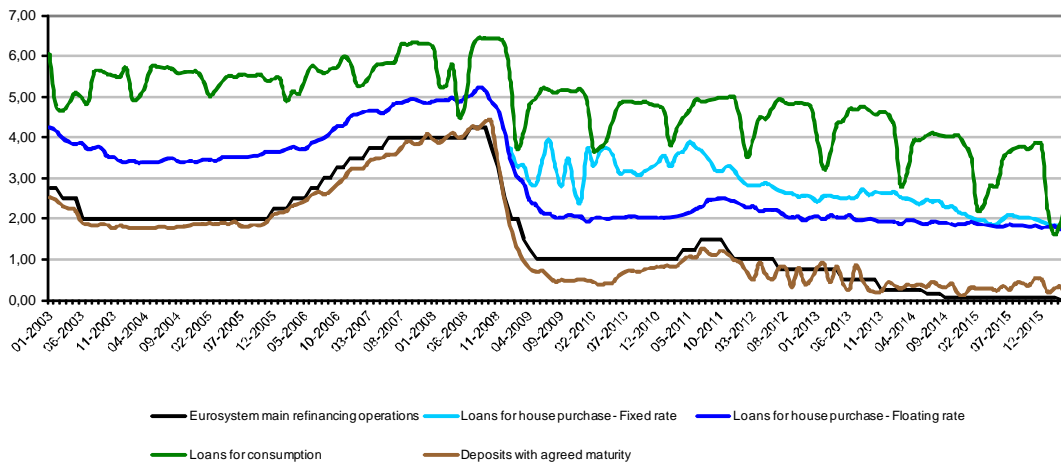
3 Fixed interest rate weighted by the amounts of contracts for all mortgage loans granted, whatever the initial rate fixation period (above 1 year). The BCL publishes this series only since February 2009 for methodological reasons linked to the identification of reporting agents.

Statistical press release

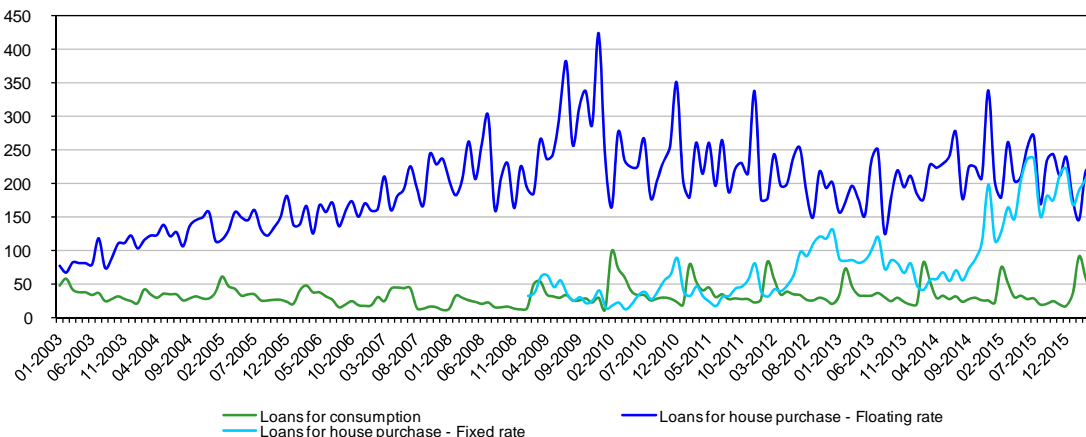
The interest rate on consumer loans that have an initial fixation period above 1 year and below or equal to 5 years has increased by 62 basis points with respect to the previous reference month and has consequently reached 2.52% in April 2016. The volume of these newly granted loans has decreased by 25 million euros on a monthly basis and has amounted to 33 million euros during April 2016. These developments should be interpreted with caution since this statistical series exhibits a cyclical pattern due to the car festival held traditionally during the first quarter. On a yearly basis, this interest rate has decreased by 29 basis points and the volume of newly granted loans has increased by 3 million euros.

The interest rate on households' fixed-term deposits that have an initial maturity below or equal to 1 year has decreased by 13 basis points, from 0.32% in March 2016 to 0.19% in April 2016. On a yearly basis, this interest rate has decreased by 10 basis points.

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



Volume of newly granted loans to households (million euros)



Statistical press release

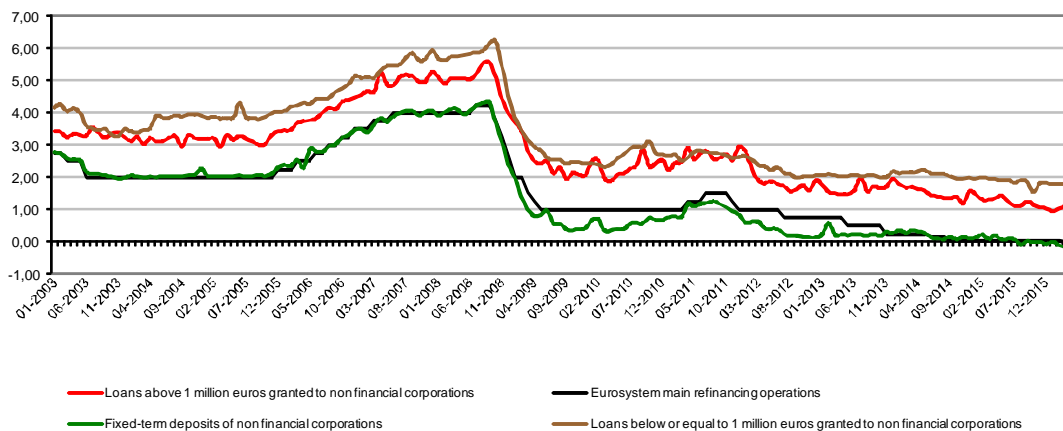
Representative interest rates on new contracts¹ – loans and deposits – concluded with NFCs

The variable² interest rate on loans below or equal to 1 million euros granted to NFCs has reached 1.72% during April 2016, compared to 1.80% during the preceding reference month. The volume of newly granted loans has decreased by 69 million euros, reaching 934 million euros in April 2016. On a yearly basis, this interest rate has decreased by 22 basis points and the volume of newly granted loans has increased by 52 million euros.

The variable² interest rate on loans above 1 million euros granted to NFCs has decreased by 17 basis points over one month, reaching its historical minimum value at 0.91% during the month of April 2016. The volume of these newly granted loans has decreased by 1 534 million euros on a monthly basis and has consequently reached 10 257 million euros. On a yearly basis, this interest rate has decreased by 42 basis points and the volume of newly granted loans has increased by 2 042 million euros.

The interest rate on fixed-term deposits of NFCs with an initial maturity below or equal to 1 year has reached –21 basis points in April 2016 in the context of low interest rates on the money market. Indeed, the policy rate on the marginal lending facility is set to -0.40% from 16 March 2016 while money market reference rates are negative.

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 at the following link:

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