

Luxembourg, 13 September 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 July 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 barely changed on a monthly basis, going from 1.66% in June 2016 to 1.67% in July 2016. The volume of these newly granted loans has increased by 22 million euros compared to June 2016 and has consequently reached 244 million euros in July 2016. On a yearly basis, this interest rate has declined by 13 basis points and the volume of newly granted loans has decreased by 10 million euros.

After reaching parity in June 2016, the fixed³ interest rate on mortgage loans granted to households has fallen below the variable rate. The fixed rate has indeed reached 1,64% in July 2016, decreasing by 2 basis points with respect to previous month. The volume of these newly granted loans has increased by 56 million euros compared to June 2016 and has consequently amounted to 286 million euros during July 2016. Compared to the month of July 2015, this interest rate has decreased by 48 basis points and the volume of newly granted loans has increased by 35 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.

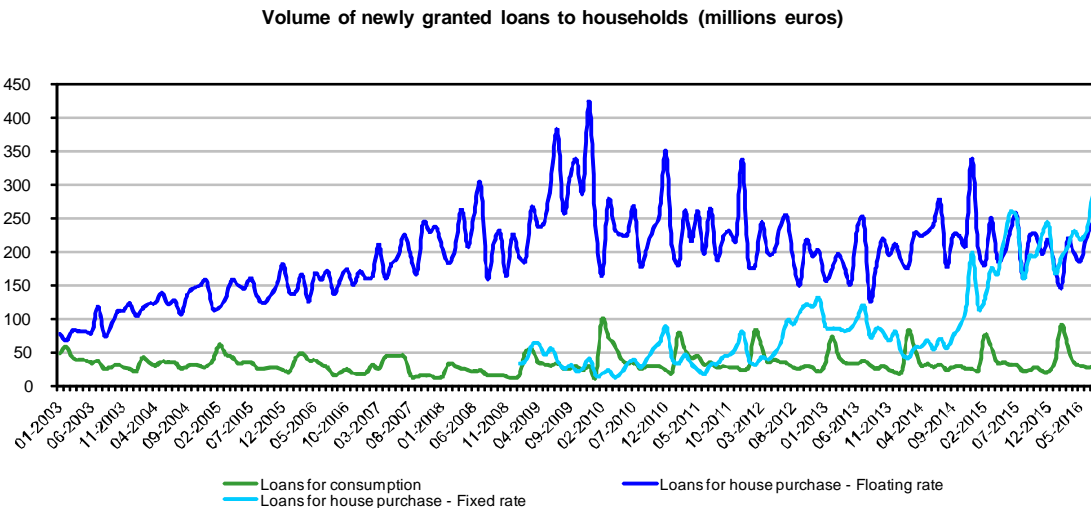
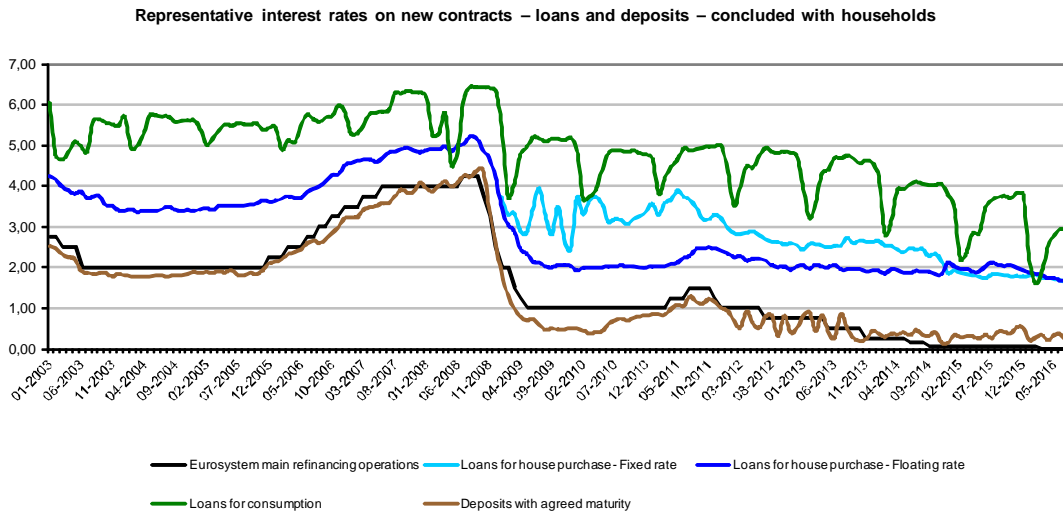
2 Variable interest rate or rate with an initial fixation period inferior or equal to 1 year.

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

The interest rate on consumer loans that have an initial fixation period above 1 year and below or equal to 5 years has decreased by 7 basis points with respect to the previous reference month and has consequently reached 2.87% in July 2016. The volume of these newly granted loans has remained relatively stable over the last months, reaching 28 million euros in July 2016. On a yearly basis, this interest rate has decreased by 77 basis points and the volume of newly granted loans has decreased by 2 million euros.

The interest rate on households' fixed-term deposits that have an initial maturity below or equal to 1 year has decreased by half, reaching 17 basis points in July 2016. On a yearly basis, the interest rate has decreased by 8 basis points.



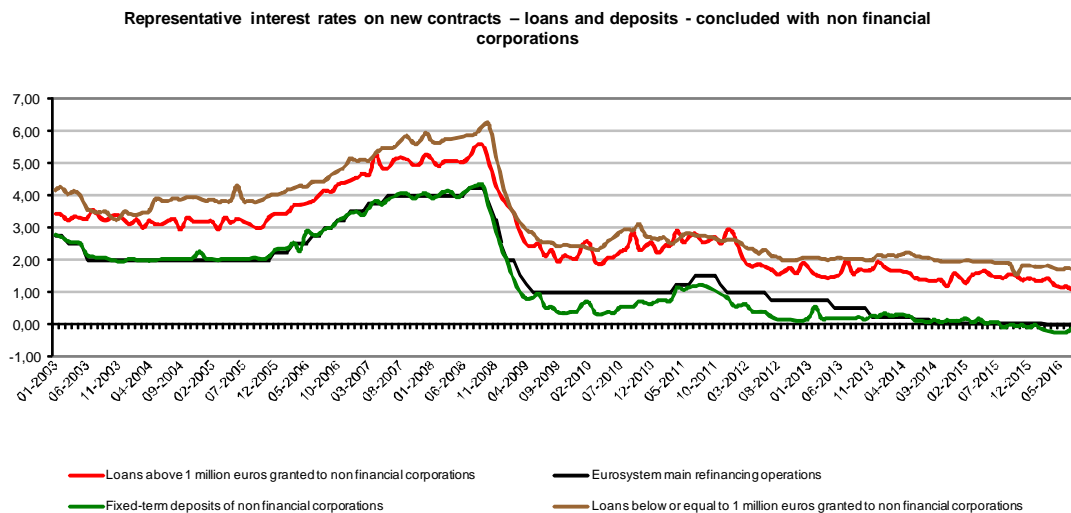
Statistical press release

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 decreased by 6 basis points on a monthly basis to reach 1.70% in July 2016. The volume of newly granted loans has decreased by 87 million euros, reaching 851 million euros in July 2016. On a yearly basis, this interest rate has decreased by 21 basis points and the volume of newly granted loans has decreased by 53 million euros.

The variable² interest rate on loans above 1 million euros granted to NFCs has decreased by 13 basis points, going from 1.17% in June 2016 to 1.04% in July 2016. The volume of these newly granted loans has decreased by 1 696 million euros on a monthly basis and has consequently reached 6 999 million euros. On a yearly basis, this interest rate has decreased by 43 basis points and the volume of newly granted loans has increased by 403 million euros.

The interest rate on fixed-term deposits of NFCs with an initial maturity below or equal to 1 year has reached –9 basis points in June 2016 against -24 basis points in June 2016.



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

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