

Luxembourg, 12 October 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 August 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 remained unchanged at 1.67% compared to July 2016. The volume of these newly granted loans has decreased by 89 million euros on a monthly basis and has consequently reached 155 million euros in August 2016. Compared to August 2015, this interest rate has declined by 13 basis points and the volume of newly granted loans has decreased by 5 million euros.

The fixed³ interest rate on mortgage loans granted to households has decreased by 3 basis points compared to the previous month, reaching 1.61% in August 2016. The volume of these newly granted loans has decreased by 68 million euros compared to July 2016 and has consequently amounted to 218 million euros during the last reference period. Compared to the month of August 2015, this interest rate has decreased by 45 basis points and the volume of newly granted loans has increased by 58 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 decreased by 16 basis points on a monthly basis and has consequently reached 2.71% in August 2016. The volume of these newly granted loans has

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.

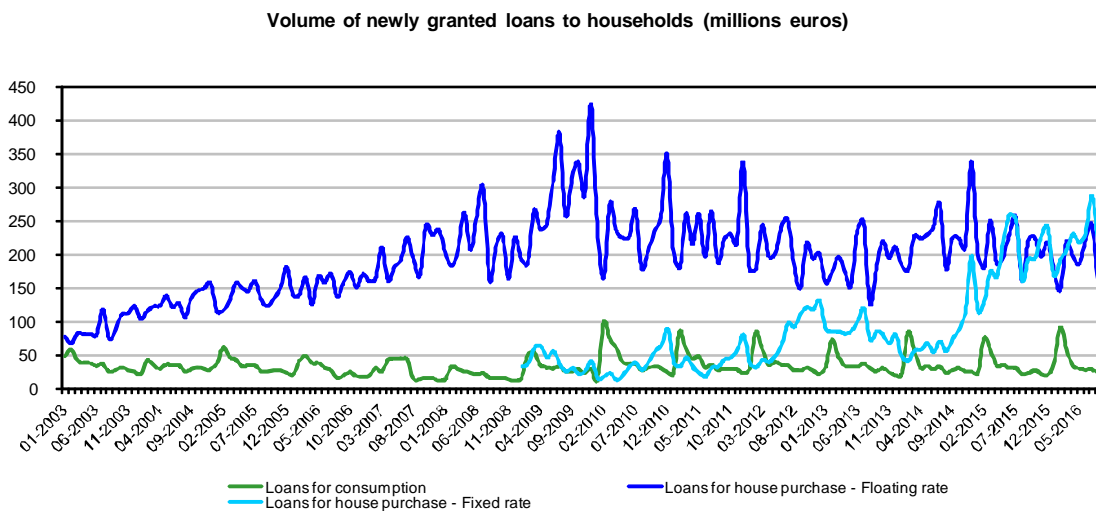
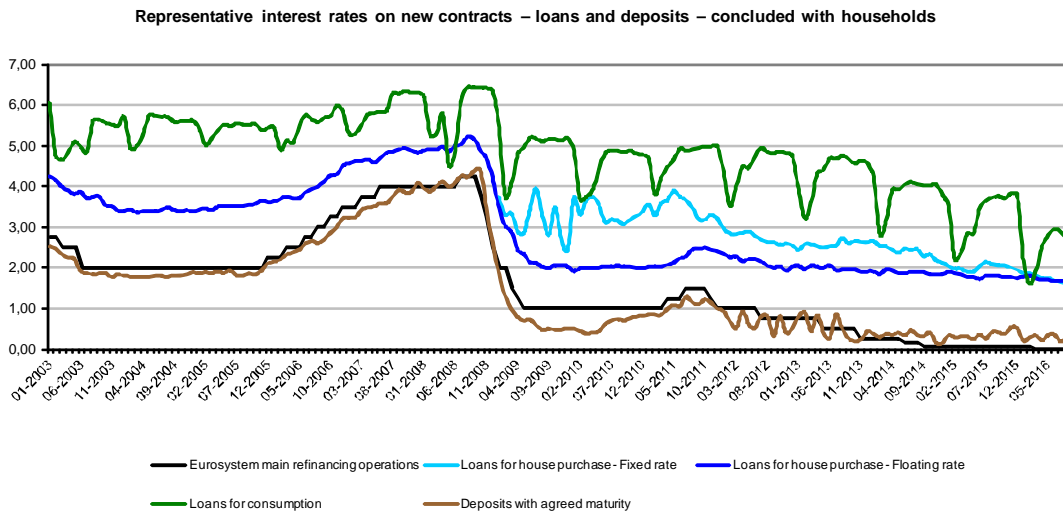
2 Variable interest rate or rate with an initial fixation period inferior or equal to 1 year.

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

decreased by 5 million euros to reach 23 million euros in August 2016. On a yearly basis, this interest rate has decreased by 1 percentage point and the volume of newly granted loans has increased by 2 million euros.

The interest rate on households' fixed-term deposits that have an initial maturity below or equal to 1 year has increased by 13 basis points on a monthly basis, reaching 30 basis points in August 2016. On a yearly basis, the interest rate has decreased by 11 basis points.



Statistical press release

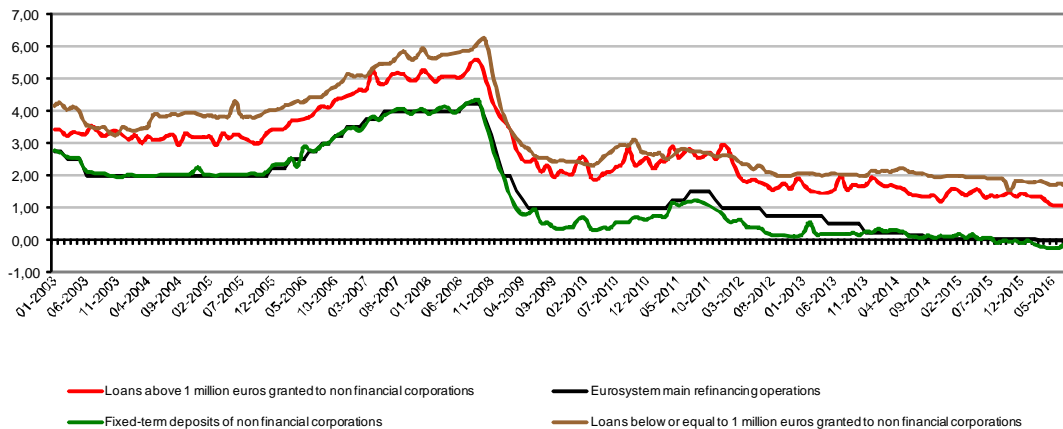
Representative interest rates on new contracts¹ – loans and deposits – concluded with NFCs

The variable² interest rate on loans below or equal to 1 million euros granted to NFCs has increased by 12 basis points on a monthly basis to reach 1.82% in August 2016. The volume of newly granted loans has decreased by 13 million euros, reaching 838 million euros in August 2016. On a yearly basis, this interest rate has decreased by 10 basis points and the volume of newly granted loans has increased by 69 million euros.

The variable² interest rate on loans above 1 million euros granted to NFCs has increased by 3 basis points, going from 1.04% in July 2016 to 1.07% in August 2016. The volume of these newly granted loans has decreased by 872 million euros on a monthly basis and has consequently reached 6 127 million euros. On a yearly basis, this interest rate has decreased by 27 basis points whereas the volume of newly granted loans has increased by 616 million euros.

The interest rate on fixed-term deposits of NFCs with an initial maturity below or equal to 1 year has barely changed, going from –9 basis points in July 2016 to –8 basis points in August 2016.

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



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