

Statistical press release

Luxembourg, 7 December 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 October 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% since July 2016. The volume of these newly granted loans has decreased by 36 million euros on a monthly basis and has consequently reached 194 million euros in October 2016. Compared to October 2015, this interest rate has declined by 9 basis points and the volume of newly granted loans has decreased by 31 million euros.

The fixed³ interest rate on mortgage loans granted to households has increased by 4 basis points compared to the previous month, reaching 1.61% in October 2016. The volume of these newly granted loans has increased by 22 million euros on a monthly basis and has consequently amounted to 282 million euros during the last reference period. On a yearly

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.

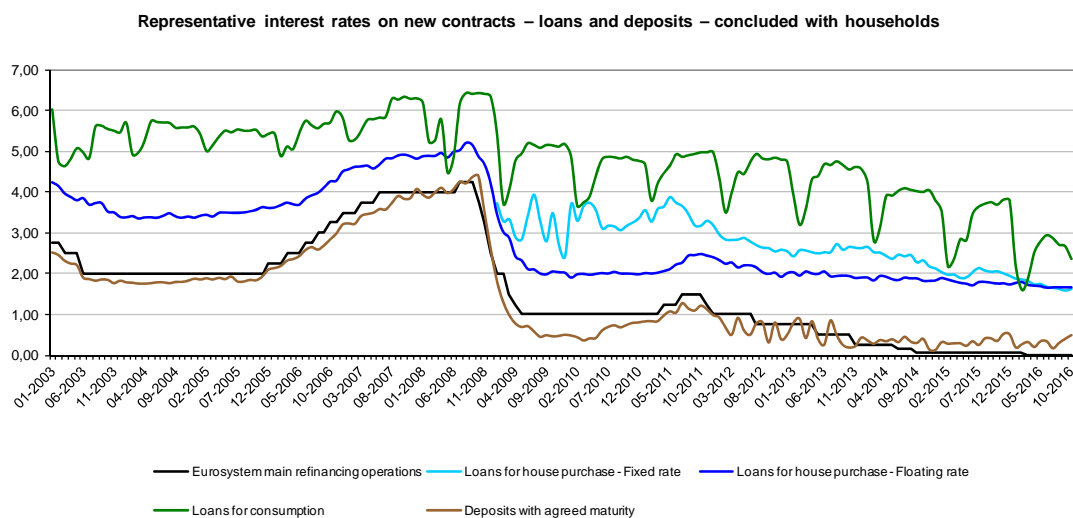
2 Variable interest rate or rate with an initial fixation period inferior or equal to 1 year.

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 only since February 2009 because of methodological reasons linked to the identification of reporting agents.

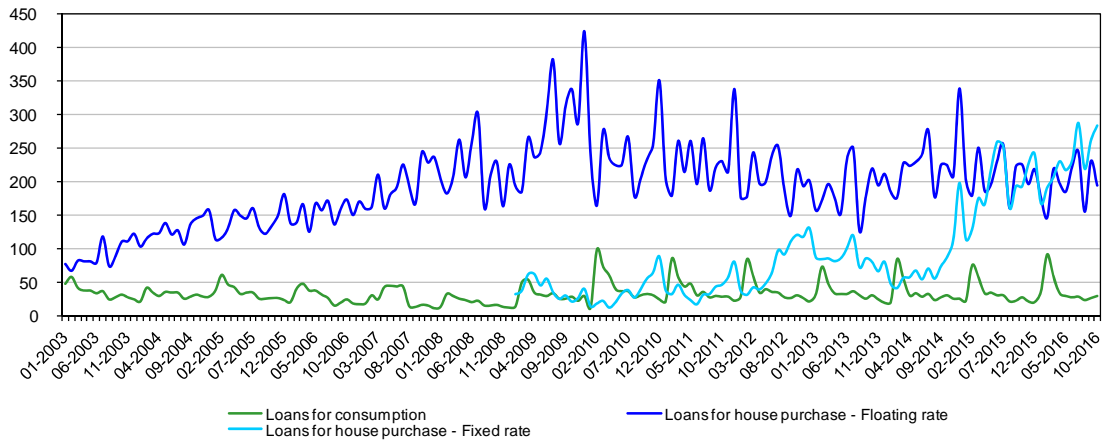
basis, this interest rate has decreased by 43 basis points and the volume of newly granted loans has increased by 90 million euros.

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 31 basis points on a monthly basis and has consequently reached 2.36% in October 2016. The volume of these newly granted loans has increased by 3 million euros compared to previous month to reach 29 million euros in October 2016. On a yearly basis, this interest rate has decreased by 1.33 percentage points whereas 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 9 basis points on a monthly basis, reaching 49 basis points in October 2016. The return on this kind of deposits has increased by 14 basis points on a yearly basis.



Volume of newly granted loans to households (millions euros)



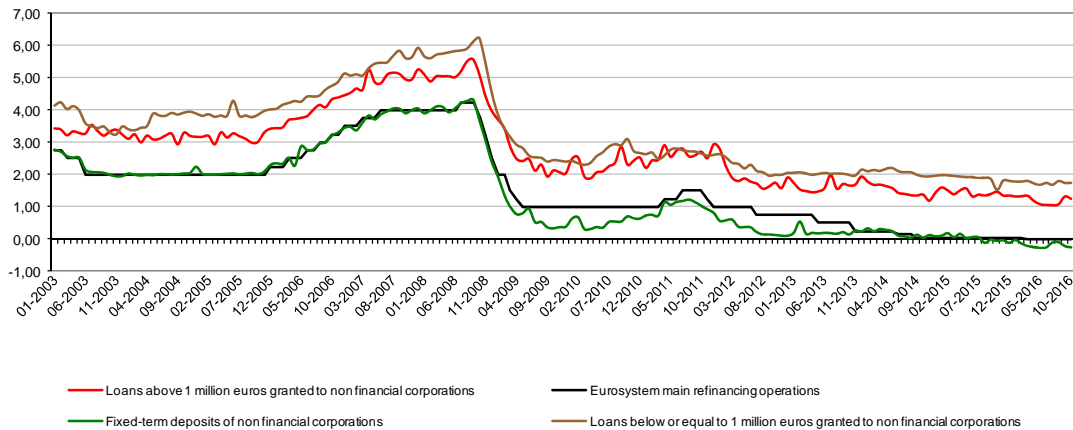
Representative interest rates on new contracts¹ – loans and deposits – concluded with NFCs

The variable² interest rate on loans below or equal to 1 million euros granted to NFCs has remained unchanged at 1.76%. The volume of newly granted loans has decreased by 181 million euros, reaching 797 million euros in October 2016. On a yearly basis, this interest rate has increased by 22 basis points whereas the volume of newly granted loans has decreased by 252 million euros.

The variable² interest rate on loans above 1 million euros granted to NFCs has decreased by 7 basis points to reach 1.24% in October 2016. The volume of these newly granted loans has decreased by 1 306 million euros on a monthly basis and has consequently reached 5 716 million euros. On a yearly basis, this interest rate has decreased by 22 basis points and the volume of newly granted loans has decreased by 83 million euros.

The interest rate on fixed-term deposits of NFCs with an initial maturity below or equal to 1 year has decreased by 4 basis points, going from –20 basis points in September 2016 to –24 basis points in October 2016.

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 page:

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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