

## Statistical press release

Luxembourg, 10 February 2017

### 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 December 2016.

#### **Representative interest rates on new contracts<sup>1</sup> – loans and deposits – concluded with households**

The variable<sup>2</sup> interest rate on mortgage loans granted to households has remained relatively stable, decreasing from 1.66% in November 2016 to 1.65% in December 2016. The volume of these newly granted loans has increased by 55 million euros to reach 248 million euros in December 2016. On a yearly basis, the interest rate has declined by 9 basis points and the volume of newly granted loans has increased by 30 million euros.

The fixed<sup>3</sup> interest rate on mortgage loans granted to households has increased by 5 basis points on a monthly basis to reach 1.67% in December 2016. The volume of these newly granted loans has decreased by 9 million euros on a monthly basis and has consequently amounted to 352 million euros during the last reference period. On a yearly basis, this

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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.

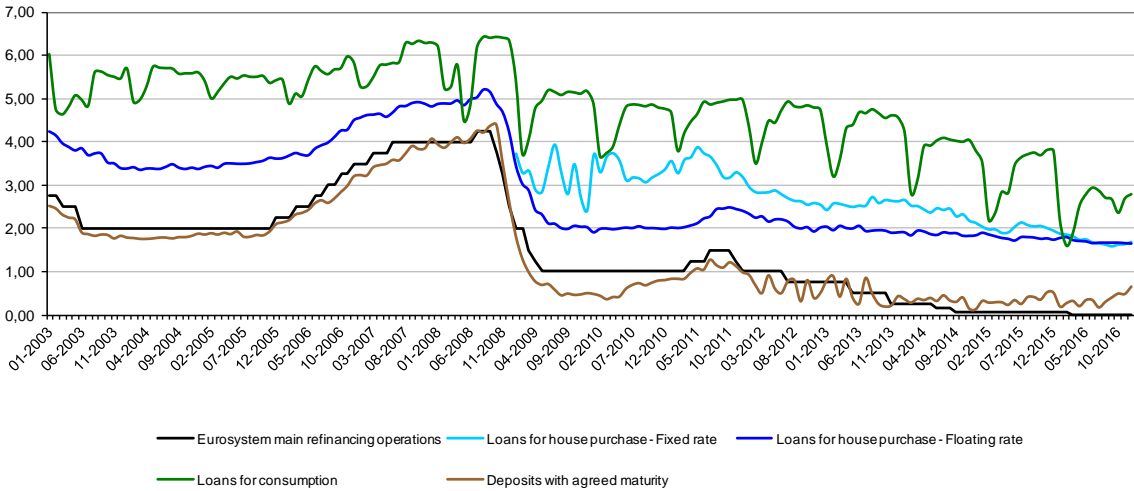
3 Fixed interest rate weighted by the amounts of contracts for all mortgage loans granted, whatever the initial rate fixation period (above 1 year). This series has been published by the BCL only since February 2009 for methodological reasons linked to the identification of reporting agents.

interest rate has decreased by 26 basis points and the volume of newly granted loans has increased by 112 million euros.

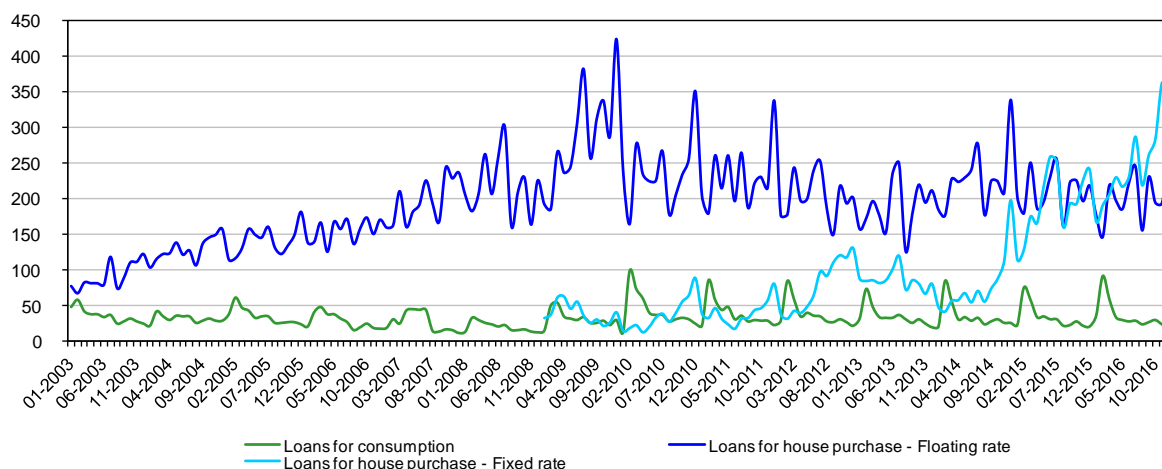
The interest rate on consumer loans that have an initial fixation period above 1 year and below or equal to 5 years has increased by 10 basis points on a monthly basis and has consequently reached 2.79% in December 2016. The volume of these newly granted loans has decreased by 5 million euros compared to previous month to reach 18 million euros in December 2016. On a yearly basis, this interest rate has decreased by 1.0 percentage point whereas 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 increased by 17 basis points on a monthly basis to reach 65 basis points in December 2016. The return on this kind of deposits has increased by 14 basis points on a yearly basis.

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



Volume of newly granted loans to households (millions euros)



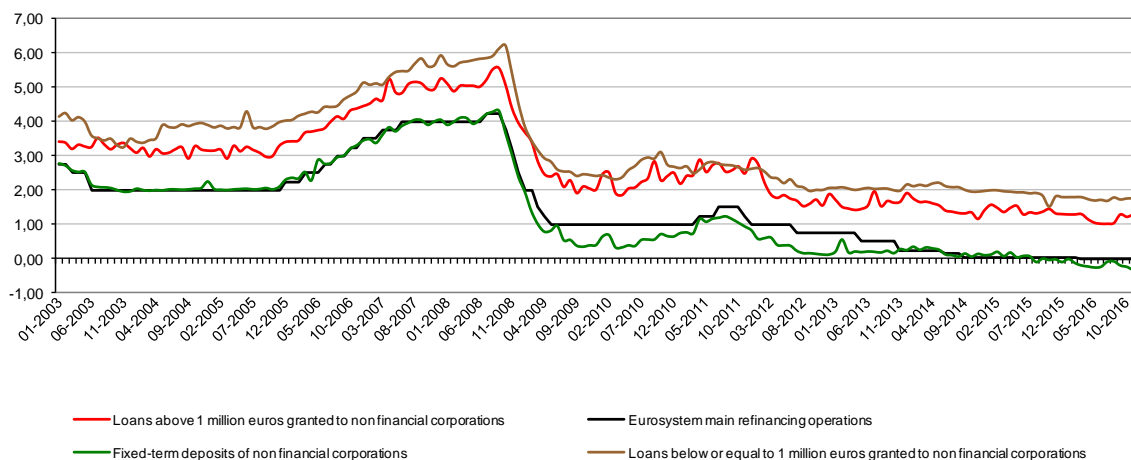
## Representative interest rates on new contracts<sup>1</sup> – loans and deposits – concluded with NFCs

The variable<sup>2</sup> interest rate on loans below or equal to 1 million euros granted to NFCs has barely changed on a monthly basis, reaching 1.73% during December from 1.76% during November. The volume of newly granted loans has increased by 87 million euros, reaching 821 million euros during the last reference period. On a yearly basis, this interest rate has decreased by 7 basis points whereas the volume of newly granted loans has increased by 40 million euros.

The variable<sup>2</sup> interest rate on loans above 1 million euros granted to NFCs has decreased by 10 basis points to reach 1.19% during December 2016. The volume of these newly granted loans has decreased by 35 million euros on a monthly basis and has consequently reached 6 238 million euros. On a yearly basis, this interest rate has decreased by 13 basis points and the volume of newly granted loans has decreased by 650 million euros.

The interest rate on fixed-term deposits of NFCs with an initial maturity below or equal to 1 year has increased by 18 basis points, going from –31 basis points during November 2016 to –13 basis points during December 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 pages:

[http://www.bcl.lu/en/statistics/series\\_statistiques\\_luxembourg/03\\_Capital\\_markets/index.html](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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