

Statistical press release

Luxembourg, 10 April 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 February 2017.

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

The variable² interest rate on mortgage loans granted to households has increased on a monthly basis, going from 1.63% in January 2017 to 1.68% in February 2017. The volume of these newly granted loans has decreased by 5 million euros on a monthly basis, reaching 160 million euros in February 2017. On a yearly basis, the interest rate has declined by 12 basis points and the volume of newly granted loans has increased by 14 million euros.

The fixed³ interest rate on mortgage loans granted to households has increased by 4 basis points on a monthly basis, reaching 1.77% in February 2017. The volume of these newly granted loans has decreased by 7 million euros on a monthly basis and has consequently amounted to 241 million euros during the last reference period. On a yearly basis, this

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.

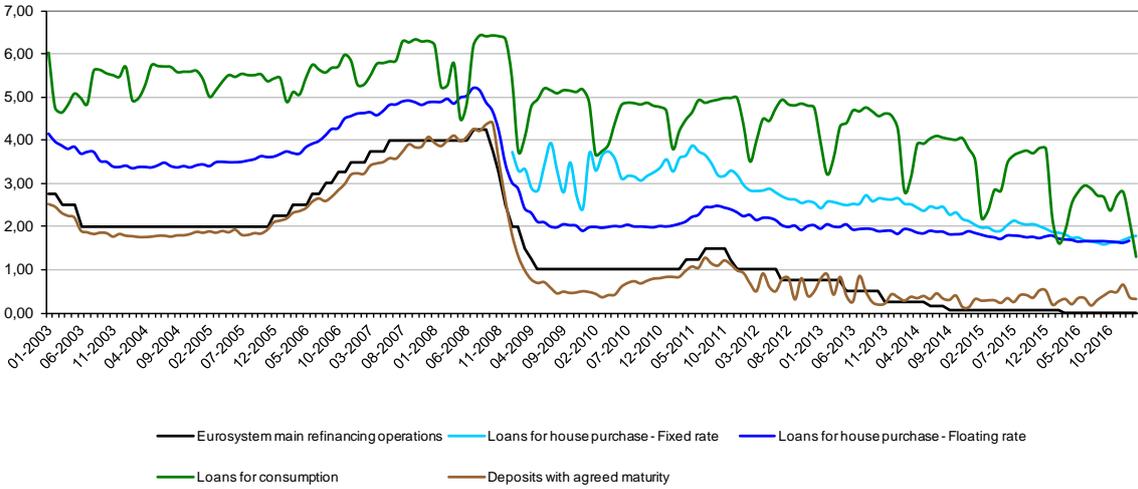
3 Fixed interest rate weighted by the amounts of contracts for all mortgage loans granted, whatever the initial rate fixation period (above 1 year). This series has been published by the BCL only since February 2009 because of methodological reasons linked to the identification of reporting agents.

interest rate has decreased by 7 basis points whereas the volume of newly granted loans has increased by 51 million euros.

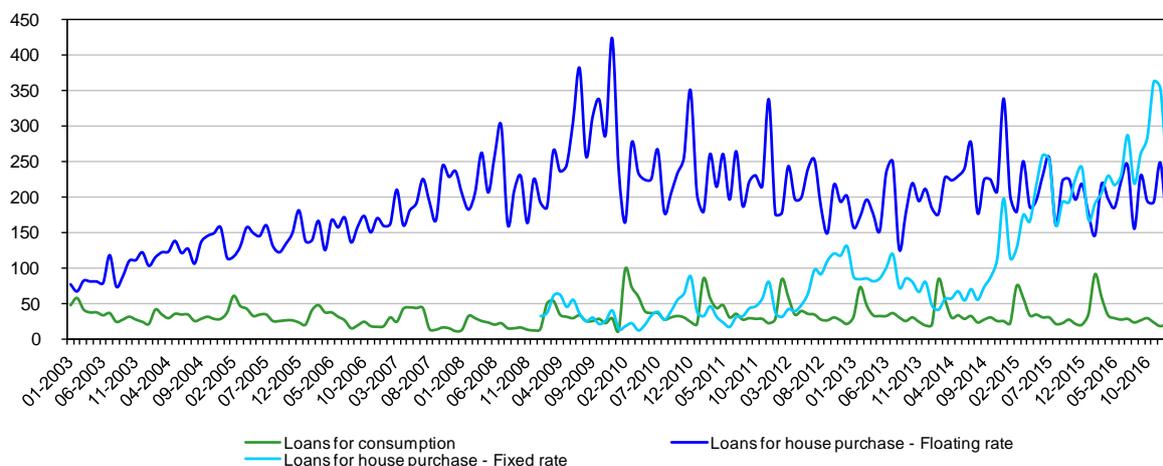
The interest rate on consumer loans that have an initial fixation period above 1 year and below or equal to 5 years has decreased significantly, going from 2.11% in January 2017 to 1.29% in February 2017, against the background of more favorable credit conditions due to the car festival held in early-2017. The volume of these newly granted loans has increased by 62 million euros compared to the previous month, reaching 85 million euros in February 2017. On a yearly basis, this interest rate has decreased by 31 basis points and the volume of newly granted loans has decreased by 5 million euros.

The interest rate on households' fixed-term deposits that have an initial maturity below or equal to 1 year has decreased by 4 basis points on a monthly basis, reaching 32 basis points in February 2017. The return on this kind of deposits has increased by 5 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)



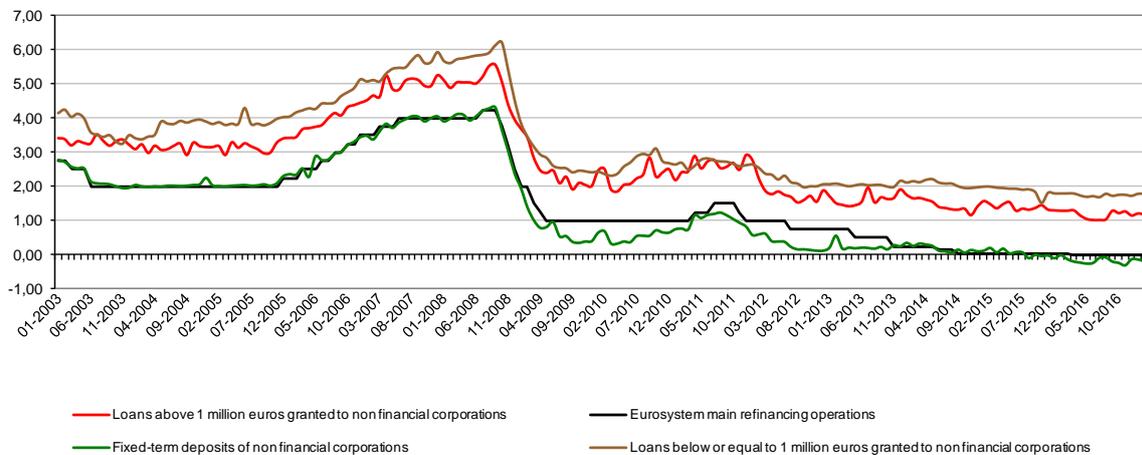
Representative interest rates on new contracts¹ – loans and deposits – concluded with NFCs

The variable² interest rate on loans below or equal to 1 million euros granted to NFCs is similar to January 2017, reaching 1.79% in February 2017. The volume of newly granted loans has decreased by 2 million euros, reaching 709 million euros during the last reference period. On a yearly basis, this interest rate has decreased by 1 basis points and the volume of newly granted loans has decreased by 42 million euros.

The variable² interest rate on loans above 1 million euros granted to NFCs has decreased by 3 basis points, reaching 1.20% during February 2017. The volume of these newly granted loans has increased by 380 million euros on a monthly basis and has consequently reached 5 121 million euros. On a yearly basis, this interest rate has decreased by 11 basis points and the volume of newly granted loans has decreased by 2 179 million euros.

The interest rate on fixed-term deposits of NFCs with an initial maturity below or equal to 1 year has decreased from –14 basis points during January 2017 to –19 basis points during February 2017.

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

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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