

Luxembourg, 18 October 2019

## 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 loan and deposit operations have on average evolved as follows in August 2019.

### **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 barely changed on a monthly basis to reach 1.45% in August 2019 whereas the volume of these newly granted loans has decreased by 146 million euros to reach 171 million euros. On a yearly basis, the interest rate has decreased by 4 basis points and the volume of newly granted loans has decreased by 36 million euros.

The fixed<sup>3</sup> interest rate on mortgage loans granted to households has decreased by 9 basis points on a monthly basis to reach 1.48% in August 2019. The volume of these newly granted loans has decreased by 230 million euros on a monthly basis and has consequently amounted to 304 million euros during the last reference period. On a yearly basis, this interest rate has decreased by 44 basis points whereas the volume of newly granted loans has increased by 64 million euros.

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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.

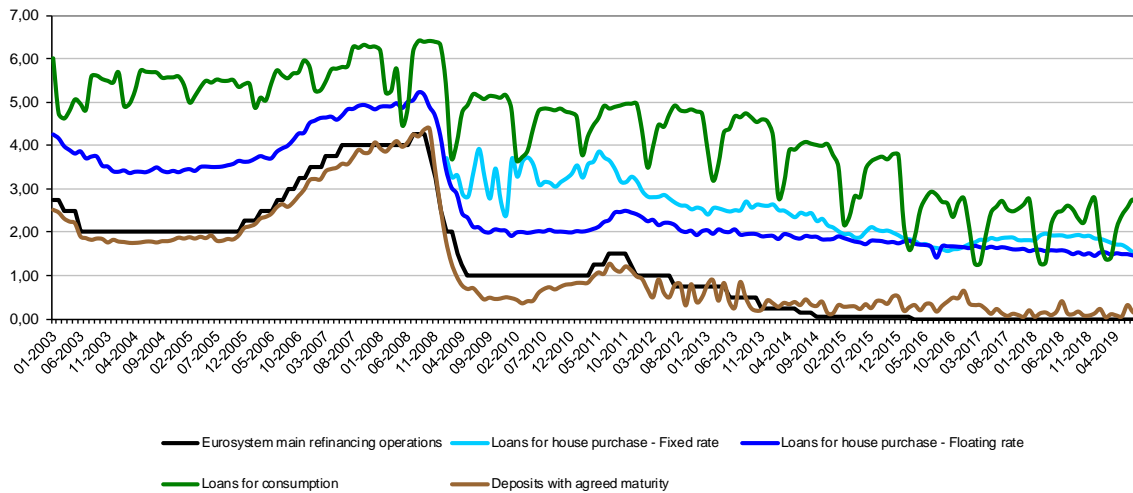
2 Variable interest rate or rate with an initial fixation period inferior or equal to 1 year.

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 because of methodological reasons linked to the identification of reporting agents.

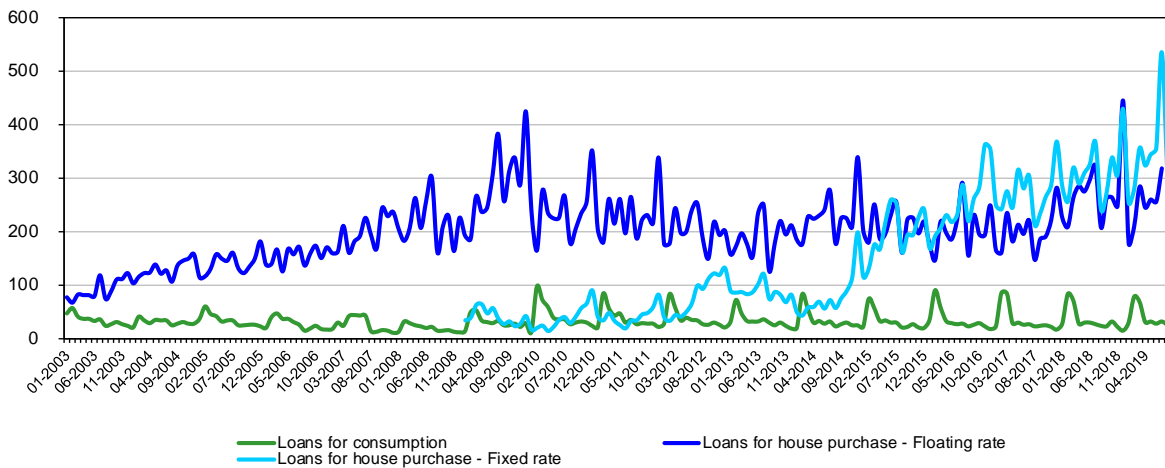
The interest rate on consumer loans that have an initial fixation period above 1 year and below or equal to 5 years has decreased by 24 basis points on a monthly basis to reach 2.52% in August 2019 whereas the volume of newly granted loans has decreased by 6 million euros to reach 26 million euros. On a yearly basis, the interest rate has remained stable whereas the volume of new lending 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 decreased by 5 basis points on a monthly basis to reach 11 basis points during August 2019.

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



Volume of newly granted loans to households (millions euros)



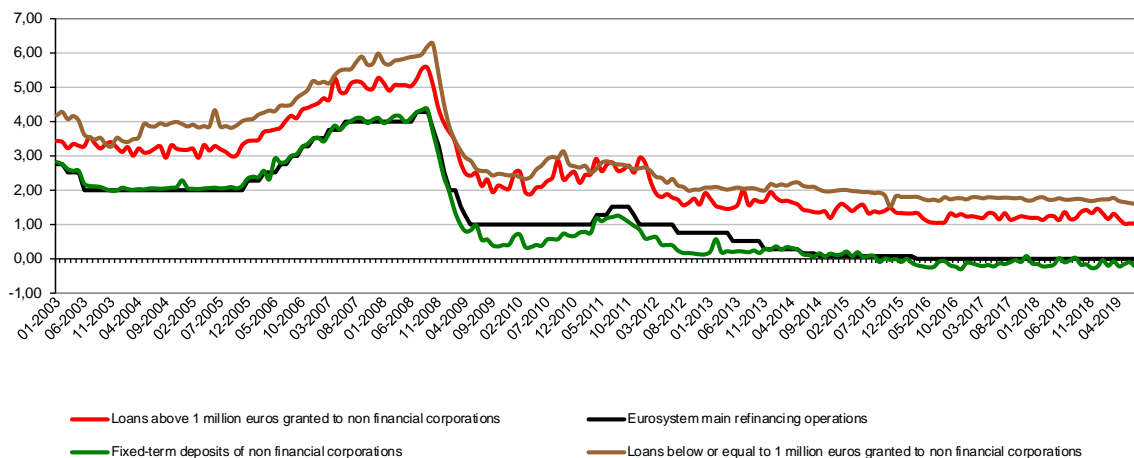
## Representative interest rates on new contracts<sup>2</sup> – loans and deposits – concluded with NFCs

The variable<sup>3</sup> interest rate on loans below or equal to 1 million euros granted to NFCs has remained unchanged at 1.60% in August 2019. The volume of newly granted loans has decreased by 113 million euros on a monthly basis, reaching 794 million euros in August 2019. On a yearly basis, this interest rate has decreased by 14 basis points whereas the volume of newly granted loans has increased by 20 million euros.

The variable<sup>3</sup> interest rate on loans above 1 million euros granted to NFCs has increased by 5 basis points on a monthly basis to reach 1.07% on last reference period whereas the new business volume has decreased by 1 069 million euros to reach 4 692 million euros. On a yearly basis, this interest rate has decreased by 10 basis points whereas the volume of newly granted loans has decreased by 2 545 million euros.

The interest rate on fixed-term deposits of NFCs with an initial maturity below or equal to 1 year has reached -27 basis points during the last reference period, from -24 basis points during July 2019.

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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