

Luxembourg, 9 July 2020

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 May 2020.

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

The variable² interest rate on mortgage loans granted to households has decreased by 5 basis points on a monthly basis, reaching 1.38% in May 2020, whereas the volume of these newly granted loans has increased by 30 million euros to reach 191 million euros. On a yearly basis, the interest rate has decreased by 11 basis points and the volume of newly granted loans has decreased by 68 million euros.

The fixed³ interest rate on mortgage loans granted to households has remained broadly stable on a monthly basis to reach 1.33% in May 2020 from 1.34% in April 2020. The volume of these newly granted loans has increased by 68 million euros on a monthly basis and has consequently amounted to 436 million euros during the last reference period. On a yearly basis, this interest rate has decreased by 38 basis points whereas the volume of newly granted loans has increased by 93 million euros.

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.

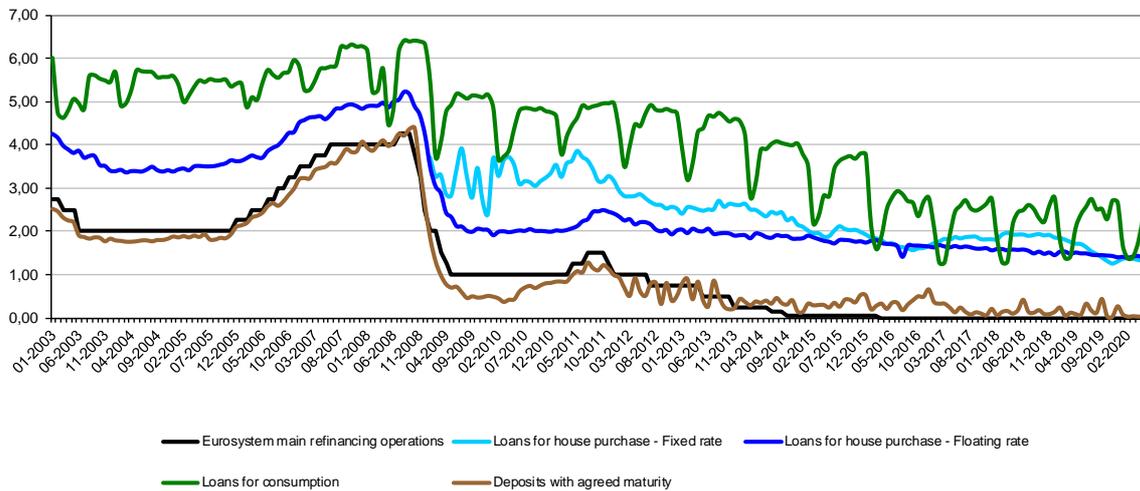
2 Variable interest rate or rate with an initial fixation period inferior or equal to 1 year.

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.

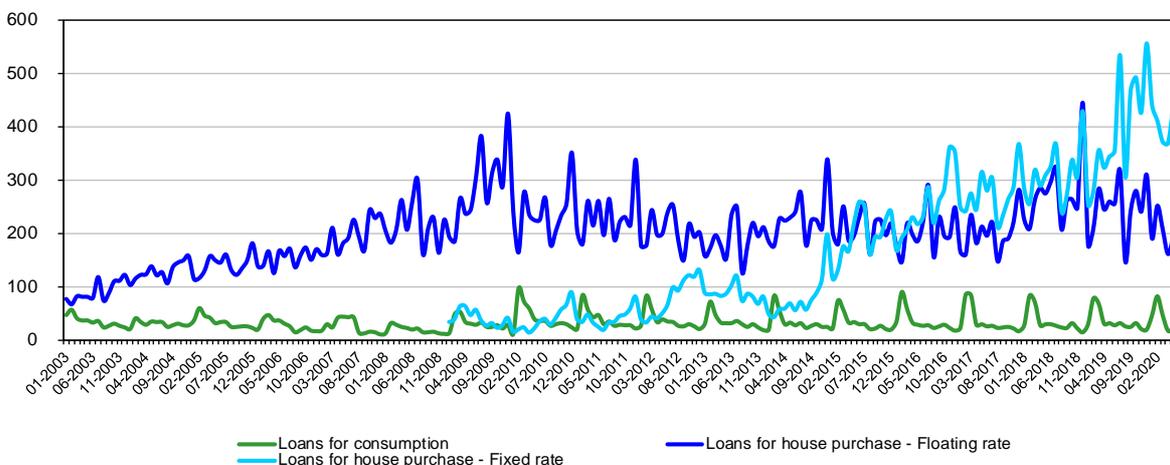
The interest rate on consumer loans that have an initial fixation period above 1 year and below or equal to 5 years has increased by 64 basis points on a monthly basis to reach 2.44% in May 2020 whereas the volume of newly granted loans has increased by 4 million euros to reach 22 million euros. On a yearly basis, the interest rate has increased by 4 basis points whereas the volume of new lending has decreased by 10 million euros.

The interest rate on households' fixed-term deposits that have an initial maturity below or equal to 1 year has reached 3 basis points in May 2020 from 2 basis points during the previous month.

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



Volume of newly granted loans to households (millions euros)



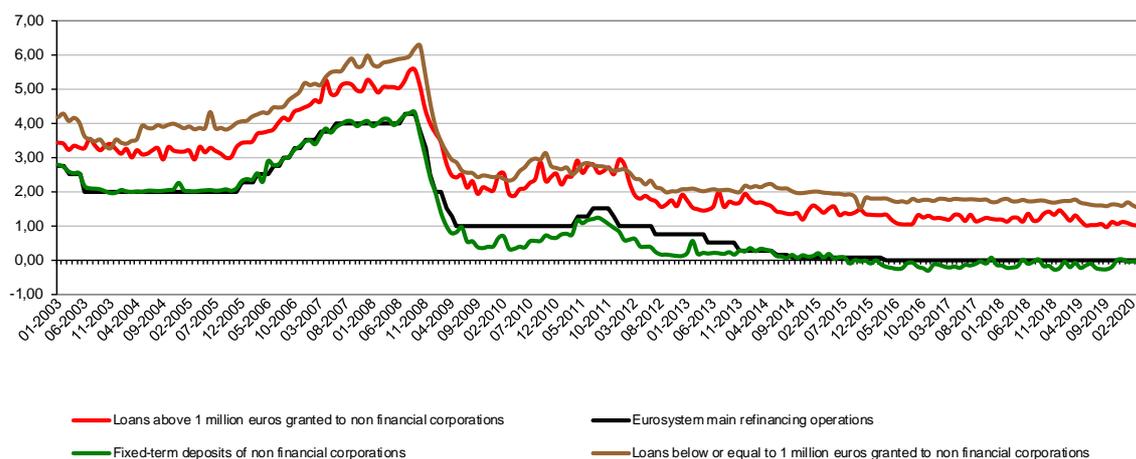
Representative interest rates on new contracts¹ – loans and deposits – concluded with NFCs

The variable² interest rate on loans below or equal to 1 million euros granted to NFCs has increased by 2 basis points on a monthly basis to reach 1.68% in May 2020. The volume of newly granted loans has decreased by 109 million euros on a monthly basis, reaching 606 million euros in April 2020. On a yearly basis, this interest rate has increased by 3 basis points whereas the volume of newly granted loans has decreased by 235 million euros.

The variable² interest rate on loans above 1 million euros granted to NFCs has increased by 11 basis points on a monthly basis, reaching 1.11% during the last reference period. The volume of newly granted loans has increased by 34 million euros to reach 3 822 million euros. On a yearly basis, this interest rate has increased by 10 basis points whereas the volume of newly granted loans has decreased by 5 065 million euros.

The interest rate on fixed-term deposits of NFCs with an initial maturity below or equal to 1 year has reached -13 basis points in May 2020 from -8 basis points in April 2020. On a yearly basis, this interest rate has increased by 3 basis points.

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.

International Relations and Communications Department
Communications Section
Tel. : (+352) 4774-4265 ou 4599
E-mail : press@bcl.lu
www.bcl.lu