

Luxembourg, 12 May 2022

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 March 2022.

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

The variable² interest rate on mortgage loans granted to households has increased by 1 basis point on a monthly basis to reach 1.33% in March 2022 and the volume of these newly granted loans has increased by 112 million euros to reach 332 million euros. On a yearly basis, the interest rate has increased by 3 basis points whereas the volume of newly granted loans has increased by 30 million euros.

The fixed³ interest rate on mortgage loans granted to households increased by 15 basis points on a monthly basis to reach 1.66% in March 2022 while the volume of these newly granted loans has increased by 102 million euros to reach 582 million euros. On a yearly basis, this interest rate increased by 39 basis points whereas the volume of newly granted loans has decreased by 34 million euros. On longer maturities, the fixed interest rate on real estate loans with an initial rate fixation period over 10 year increased by 13 basis points to reach 1.71% in

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.

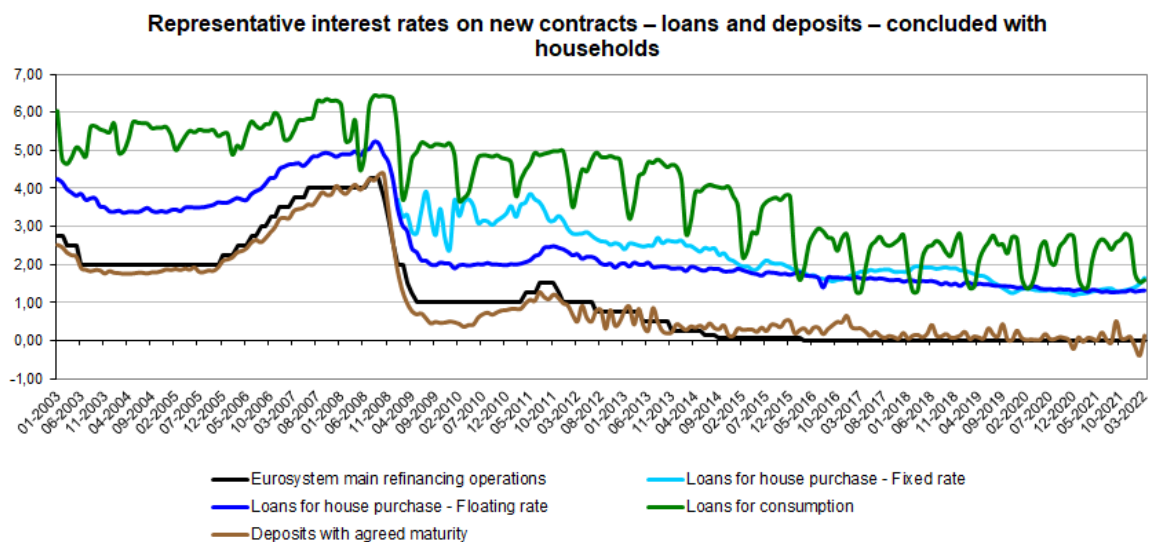
2 Variable interest rate or rate with an initial fixation period inferior or equal to 1 year.

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.

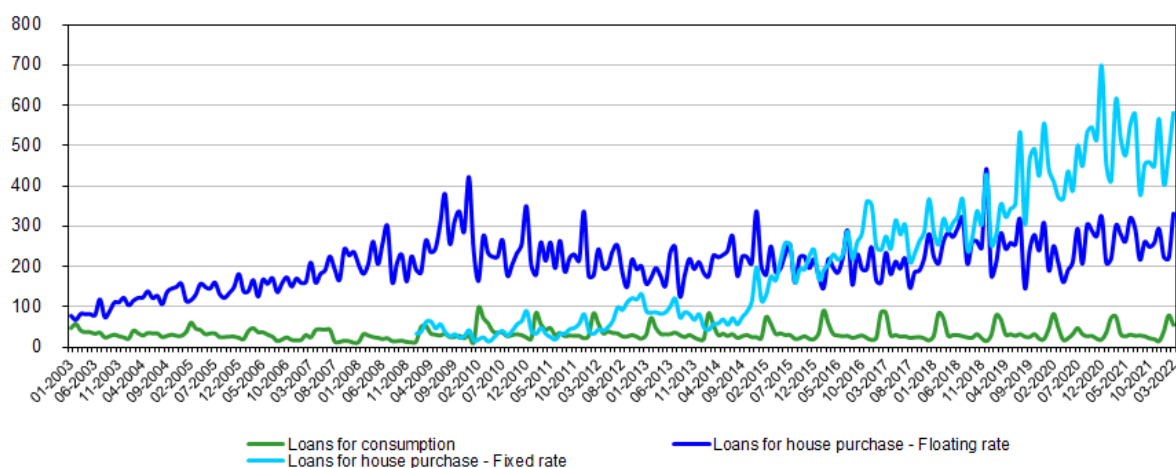
March 2022. The monthly volume of these newly granted loans increased by 93 million on a monthly basis to reach 456 million euros in March 2022. On a yearly basis, this rate increased by 40 basis points while the amount of newly granted loans shrank by 51 million euros. It is important to mention that this fixed rate includes all initial fixation periods above 10 years and is computed based on a sample of banks. The indicated rate is an average rate weighted on the volumes of granted loans. Furthermore, fixed rates with initial fixation periods on loans with very long maturities, like for example 30 years, can be significantly higher than the average rate mentioned above.

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 5 basis points on a monthly basis to reach 1.59% in March 2022 whereas the volume of newly granted loans has decreased by 23 million euros to reach 55 million euros. On a yearly basis, the interest rate has increased by 18 basis points whereas the volume of new lending has decreased by 20 million euros.

The interest rate on households' fixed-term deposits that have an initial maturity below or equal to 1 year has reached 13 basis points in March 2022 from -39 basis points during the previous reference period. On a yearly basis, this rate has increased by 6 basis points.



Volume of newly granted loans to households (millions euros)



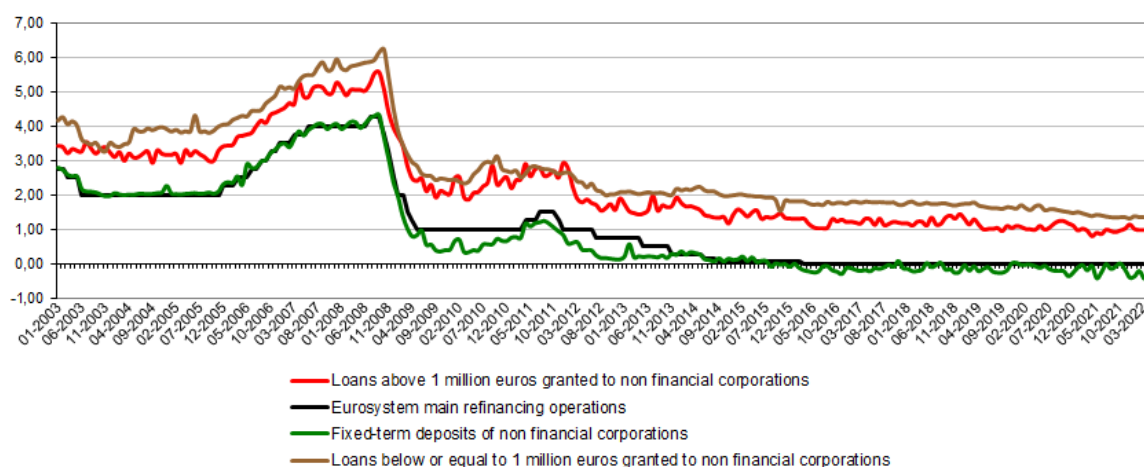
Representative interest rates on new contracts¹ – loans and deposits – concluded with NFCs

The variable² interest rate on loans below or equal to 1 million euros granted to NFCs remained constant in March 2022 at 1.34% and the volume of newly granted loans has increased by 303 million euros to reach 1 078 million euros. On a yearly basis, this interest rate has decreased by 7 basis points and the volume of newly granted loans has increased by 255 million euros.

The variable² interest rate on loans above 1 million euros granted to NFCs has remained unchanged on a monthly basis at 0.99% during the last reference period. The volume of newly granted loans has increased by 1 289 million euros to reach 4 473 million euros. On a yearly basis, this interest rate has increased by 2 basis points and the volume of newly granted loans has decreased by 104 million euros.

The interest rate on fixed-term deposits of NFCs with an initial maturity below or equal to 1 year has decreased by 22 basis points on a monthly basis to reach -0.44% in March 2022. On a yearly basis, this interest rate has decreased by 24 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.

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