

Luxembourg, 15 September 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 July 2022.

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

The variable² interest rate on mortgage loans granted to households has remained unchanged on a monthly basis at 1.34% in July 2022 and the volume of these newly granted loans has increased by 81 million euros to reach 418 million euros in July compared to 337 million in June. On a yearly basis, the interest rate has increased by 3 basis points whereas the volume of newly granted loans has increased by 123 million euros.

The fixed³ interest rate on mortgage loans granted to households increased by 30 basis points on a monthly basis between June and July to reach 2.56% in July 2022 while the volume of these newly granted loans has decreased by 42 million euros between the two months to reach 340 million euros. On a yearly basis, this interest rate increased by 118 basis points whereas the volume of newly granted loans has decreased by 238 million euros. On longer maturities, real estate loans with an initial rate fixation period over 10 year increased by 27 basis points

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.

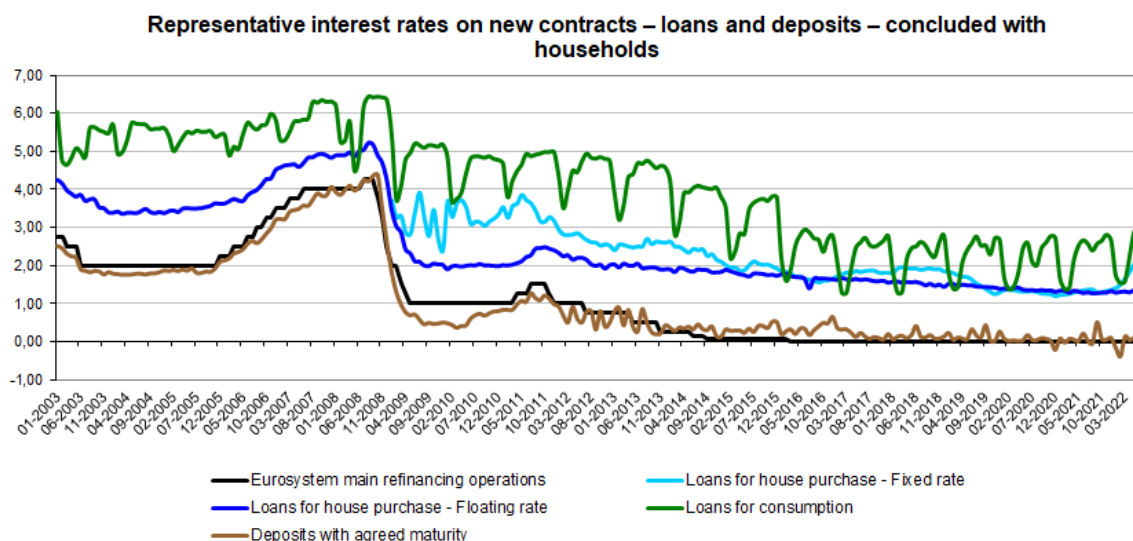
2 Variable interest rate or rate with an initial fixation period inferior or equal to 1 year.

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.

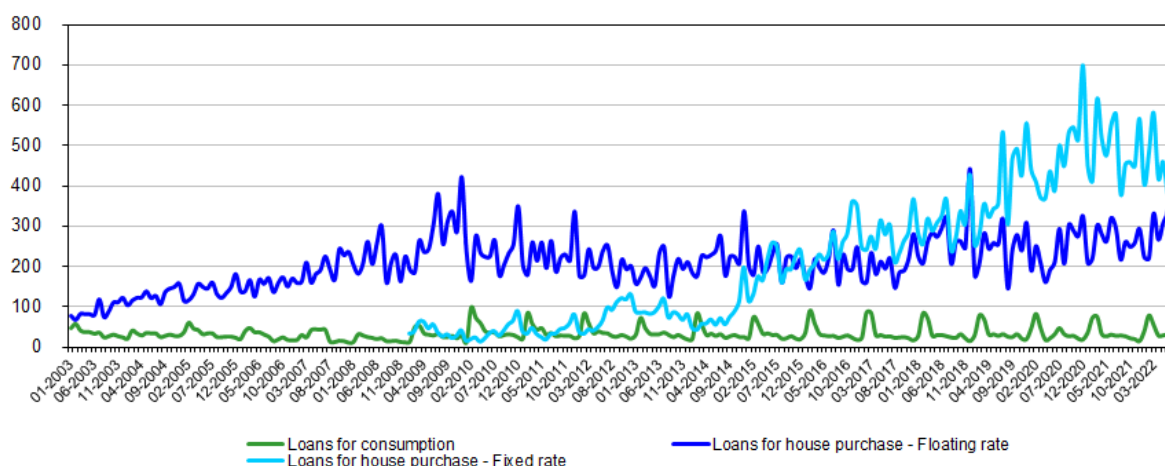
to reach 2.57% in July 2022. The monthly volume of these newly granted loans decreased by 27 million on a monthly basis to reach 279 million euros in July 2022. On a yearly basis, this rate increased by 111 basis points while the amount of newly granted loans shrank by 141 million euros. It is important 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 e.g. 30 years, can be significantly higher than this 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 39 basis points on a monthly basis between June and July to reach 3.34% in July 2022. The volume of newly granted loans has decreased by 5 million between June and July to reach 26 million euros in July. On a yearly basis, the interest rate has increased by 77 basis points whereas the volume of new lending 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 reached 15 basis points in July 2022 from 11 basis points in June 2022. On a yearly basis, this rate has increased by 13 basis points.



Volume of newly granted loans to households (millions euros)



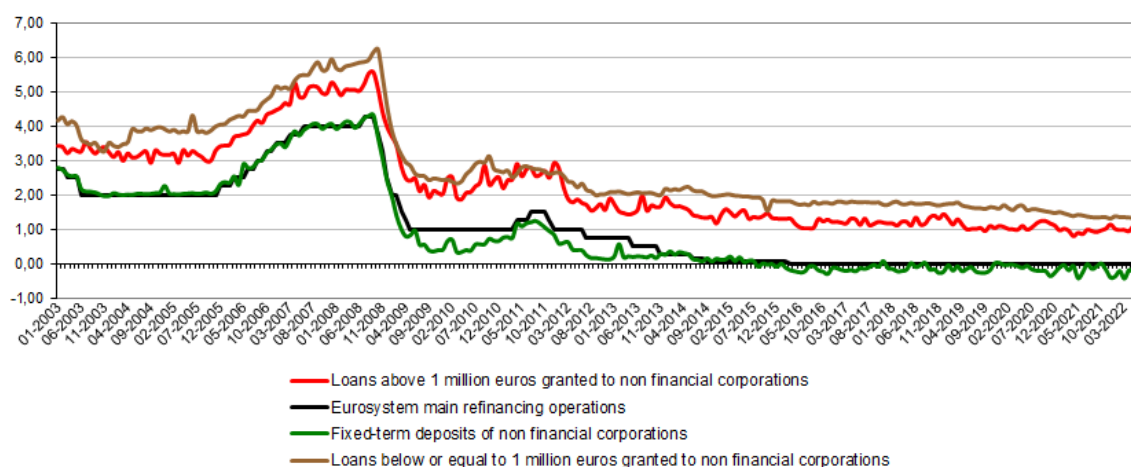
Representative interest rates on new contracts¹ – loans and deposits – concluded with NFCs

The variable² interest rate on loans below or equal to 1 million euros granted to NFCs decreased by 3 basis point in July 2022 at 1.31% compared to 1.34% in June and the volume has decreased by 189 million euros to reach 576 million in July from 765 in June. On a yearly basis, this interest rate has decreased by 5 basis points and the volume of newly granted loans has decreased by 200 million euros.

The variable² interest rate on loans above 1 million euros granted to NFCs has increased by 9 basis points on a monthly basis at 1.15% during the last reference period compared to 1.06% in June. The volume of newly granted loans has decreased by 404 million euros to reach 3 275 million euros in July compared to 3 679 in June. On a yearly basis, this interest rate has increased by 15 basis points and the volume of newly granted loans has decreased by 3 million euros.

The interest rate on fixed-term deposits of NFCs with an initial maturity below or equal to 1 year has increased by 40 basis points on a monthly basis between June and July to reach - 0.33% in July 2022. On a yearly basis, this interest rate has increased by 35 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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