

Luxembourg, 11 October 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 August 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 2 basis points on a monthly basis to reach 1.36% in August 2022 compared to 1.34% in July 2022 and the volume of these newly granted loans has decreased by 132 million euros to reach 286 million euros in August compared to 418 million in July. On a yearly basis, the interest rate has increased by 8 basis points whereas the volume of newly granted loans has increased by 69 million euros.

The fixed³ interest rate on mortgage loans granted to households increased by 25 basis points on a monthly basis between July and August to reach 2.81% in August 2022 while the volume of these newly granted loans has decreased by 122 million euros between the two months to reach 218 million euros. On a yearly basis, this interest rate increased by 143 basis points whereas the volume of newly granted loans has decreased by 162 million euros. On longer

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.

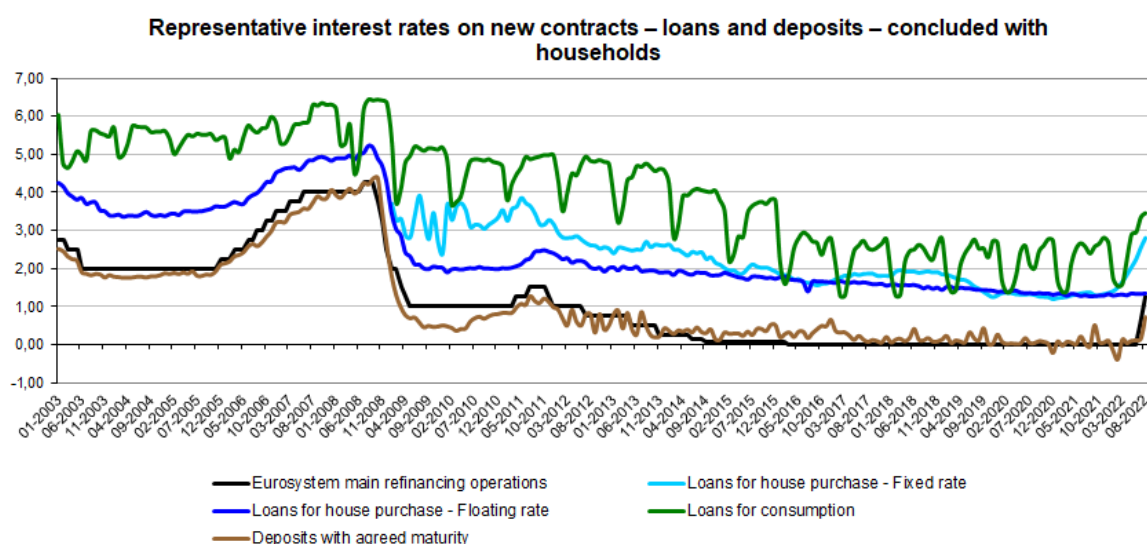
2 Variable interest rate or rate with an initial fixation period inferior or equal to 1 year.

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.

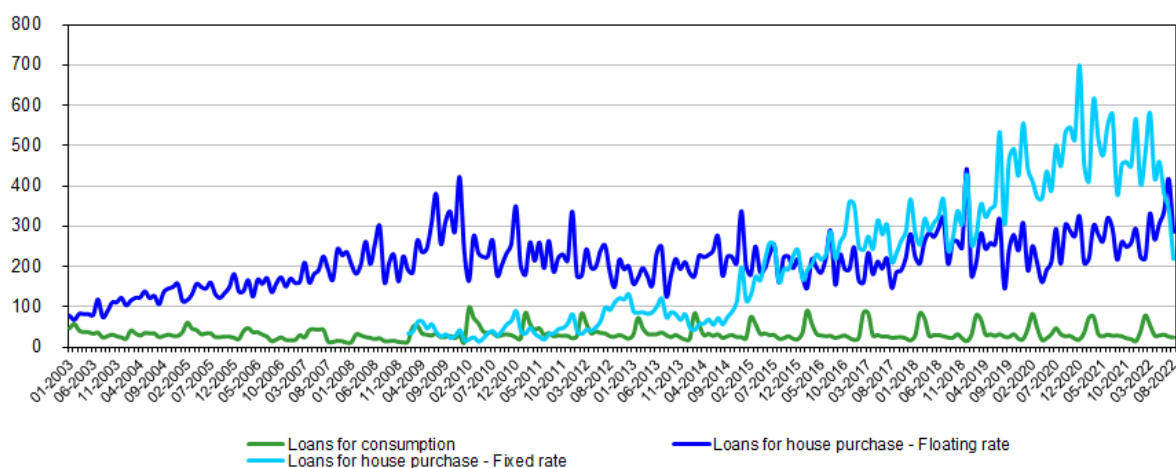
maturities, real estate loans with an initial rate fixation period over 10 year increased by 28 basis points to reach 2.85% in August 2022. The monthly volume of these newly granted loans decreased by 99 million on a monthly basis to reach 180 million euros in August 2022. On a yearly basis, this rate increased by 148 basis points while the amount of newly granted loans shrank by 156 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 11 basis points on a monthly basis between July and August to reach 3.45% in August 2022. The volume of newly granted loans has decreased by 2 million between July and August to reach 24 million euros in August. On a yearly basis, the interest rate has increased by 106 basis points whereas the volume of new lending 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 reached 72 basis points in August 2022 from 15 basis points in July 2022. On a yearly basis, this rate has increased by 77 basis points.



Volume of newly granted loans to households (millions euros)



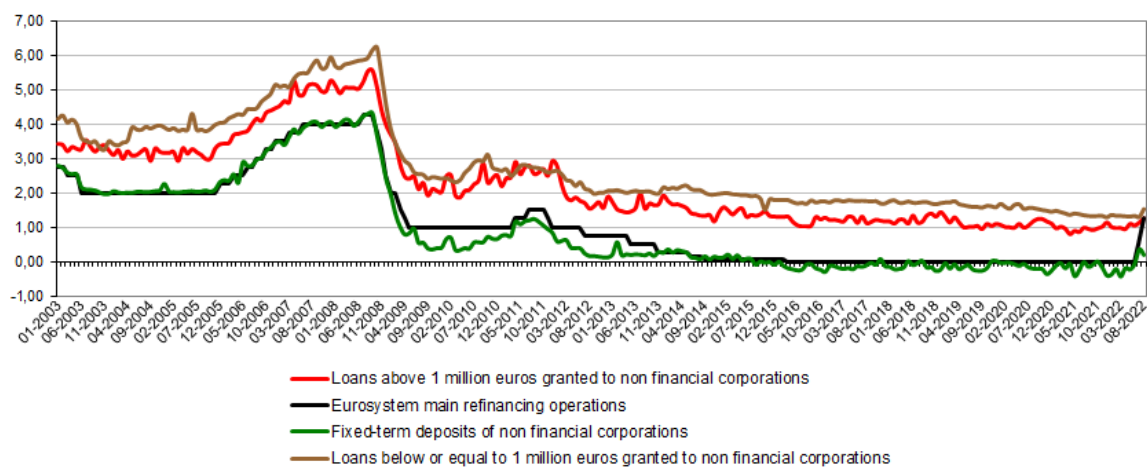
Representative interest rates on new contracts¹ – loans and deposits – concluded with NFCs

The variable² interest rate on loans below or equal to 1 million euros granted to NFCs increased by 23 basis point in August 2022 at 1.54% compared to 1.31% in July and the volume has decreased by 76 million euros to reach 500 million in August from 576 in July. On a yearly basis, this interest rate has increased by 19 basis points and the volume of newly granted loans has decreased by 202 million euros.

The variable² interest rate on loans above 1 million euros granted to NFCs has increased by 12 basis points on a monthly basis at 1.27% during the last reference period compared to 1.15% in July. The volume of newly granted loans has decreased by 721 million euros to reach 2 554 million euros in August compared to 3 275 in July. On a yearly basis, this interest rate has increased by 31 basis points and the volume of newly granted loans has decreased by 403 million euros.

The interest rate on fixed-term deposits of NFCs with an initial maturity below or equal to 1 year has decreased by 14 basis points on a monthly basis between July and August to reach 0.19% in August 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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