

Luxembourg, 3 October 2024

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 2024.

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 33 basis points on a monthly basis to reach 4.49% in July 2024 compared to 4.82% in June 2024 and the volume of these newly granted loans has increased by 38 million euros to reach 206 million euros in July compared to 168 million euros in June. On a yearly basis, the interest rate has decreased by 18 basis points whereas the volume of newly granted loans has decreased by 6 million euros.

The fixed³ interest rate on mortgage loans granted to households with an initial fixation rate of over one year and up to five years decreased by 3 basis points on a monthly basis to reach 3.84% in July 2024 while the volume reaches 35 million euros. The fixed interest rate with an initial fixation rate of over five years and up to ten years decreased by 8 basis points compared to June 2024 to reach 3.75%. The corresponding monthly volumes increased by 25 million euros to reach 50 million euros.

Concerning real estate loans with an initial rate fixation period over 10 years, the monthly volumes increased by 34 million euros since June to reach 286 million euros. Interest rates of

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.

these loans are grouped by intervals of five years of initial rate fixation, and have changed as follows compared with June:

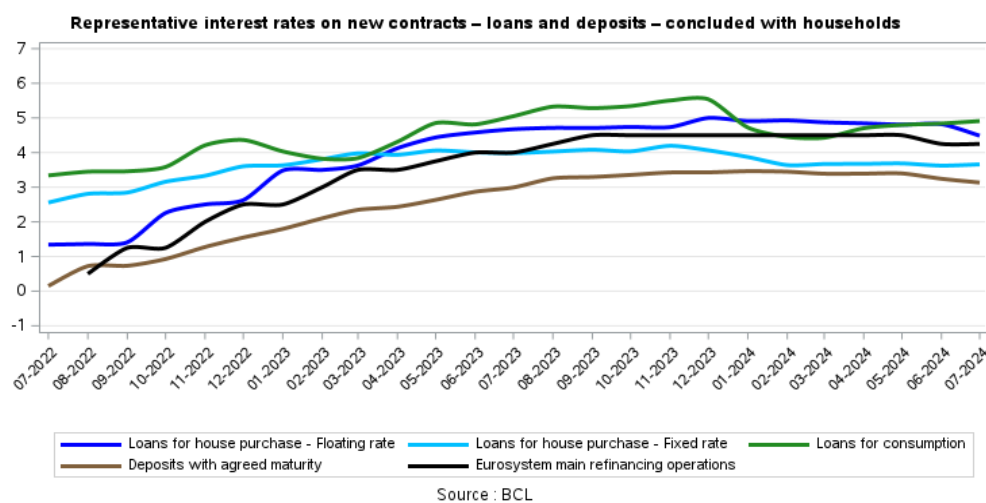
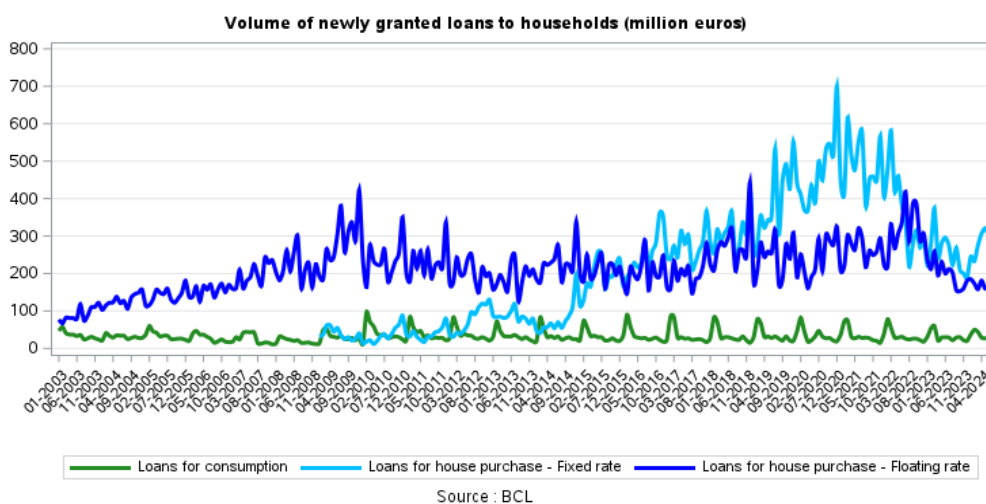
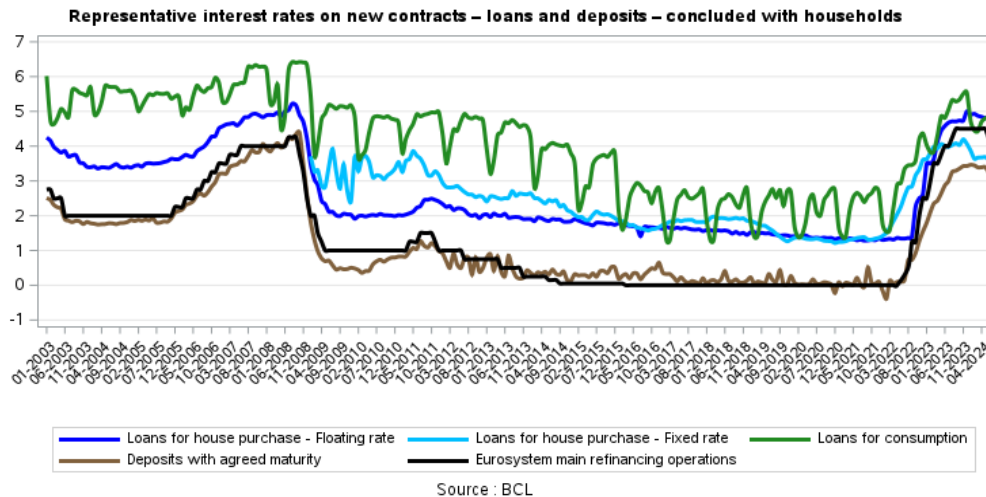
- The interest rates with an interest rate fixation of over 10 years and up to 15 years increased by 15 basis points to reach 3.89%.
- The interest rates with an interest rate fixation of over 15 years and up to 20 years decreased by 12 basis points to reach 3.26%.
- The interest rates with an interest rate fixation of over 20 years and up to 25 years increased by 25 basis points to reach 3.60%.
- The interest rates with an interest rate fixation of over 25 years and up to 30 years increased by 4 basis points to reach 3.62%.
- The interest rates with an interest rate fixation of over 30 years decreased by 5 basis points to reach 3.70%.

It is important to mention that the indicated rates of the different interest rate fixations are average rates, where the calculations are based on a sample of banks and which are taking into account the volumes of granted loans.

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 7 basis points since June to reach 4.91% in July 2024. The volume of newly granted loans has increased by 5 million euros to reach 32 million euros in July compared to 27 million euros in June. On a yearly basis, the interest rate has decreased by 14 basis points whereas the volume of new lending has increased by 3 million euros.

The interest rate on households' fixed-term deposits that have an initial maturity below or equal to 1 year has reached 313 basis points in July 2024 from 324 basis points in June 2024. On a yearly basis, this rate has increased by 14 basis points.

The following graphs provide a detailed overview of the evolution of interest rates and the volumes of the new business loans. Furthermore, the evolution of the interest rates over the past two years is presented in more detail.

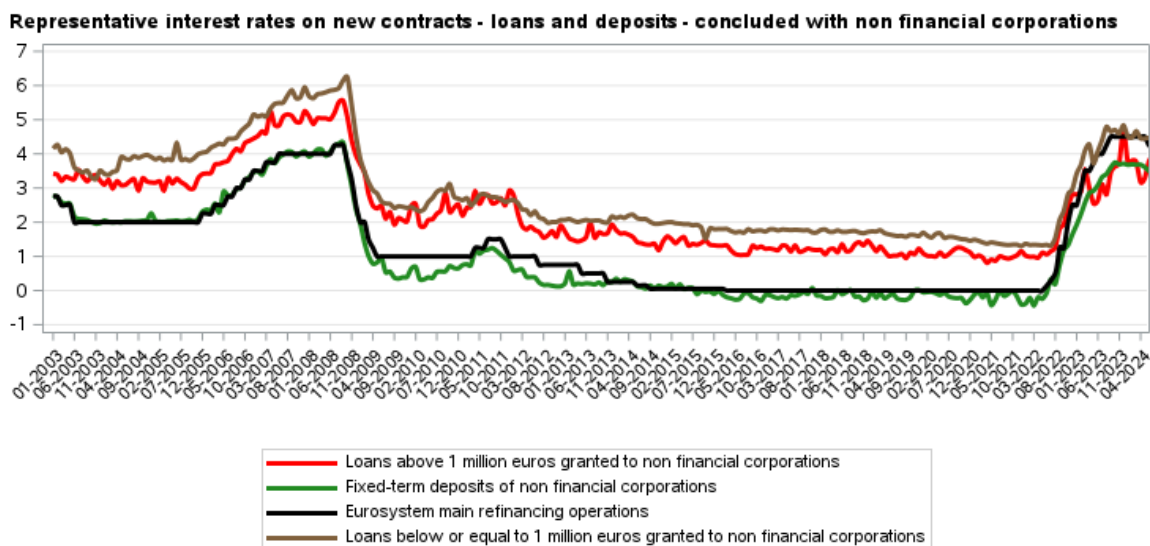


Representative interest rates on new contracts¹ – loans and deposits – concluded with non-financial corporations (NFCs)

The variable interest rate on loans below or equal to 1 million euros granted to NFCs increased by 3 basis points in July 2024 to 4.50%, compared to 4.47% in June, and the volume has decreased by 6 million euros to reach 122 million euros in July from 128 million euros in June. On a yearly basis, this interest rate has increased by 10 basis points and the volume of newly granted loans has decreased by 8 million euros.

The variable interest rate on loans above 1 million euros granted to NFCs has increased by 13 basis points on a monthly basis to 3.93% during the last reference period, compared to 3.80% in June. The volume of newly granted loans has increased by 104 million euros to reach 2 025 million euros in July compared to 1 921 million euros in June. On a yearly basis, this interest rate has increased by 82 basis points and the volume of newly granted loans has decreased by 60 million euros.

The interest rate on fixed-term deposits of NFCs with an initial maturity below or equal to 1 year has decreased by 8 basis points on a monthly basis since June to reach 3.41% in July 2024. On a yearly basis, this interest rate has increased by 9 basis points.



Source : BCL

The tables pertaining to interest rates applied to credit institutions can be consulted and/or downloaded on the BCL's website on the following link:

https://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.

Communications Department
Tel.: (+352) 4774-4265 or 4599
E-mail: press@bcl.lu
www.bcl.lu