

Luxembourg, 5 February 2025

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 December 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 18 basis points on a monthly basis to reach 4.04% in December 2024 compared to 4.22% in November 2024 and the volume of these newly granted loans has increased by 63 million euros to reach 245 million euros in December compared to 182 million euros in November. On a yearly basis, the interest rate has decreased by 98 basis points whereas the volume of newly granted loans has increased by 60 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 9 basis points on a monthly basis to reach 3.20% in December 2024 while the volume reached 76 million euros. The fixed interest rate with an initial fixation rate of over five years and up to ten years decreased by 3 basis points compared to November 2024 to reach 3.34%. The corresponding monthly volumes increased by 2 million euros to reach 61 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.

Concerning real estate loans with an initial rate fixation period over 10 years, the monthly volumes increased by 119 million euros since November to reach 338 million euros. Interest rates of these loans are grouped by intervals of five years of initial rate fixation⁴, and have changed as follows compared with November:

- The interest rates with an interest rate fixation of over 10 years and up to 15 years decreased by 11 basis points to reach 3.63%.
- The interest rates with an interest rate fixation of over 15 years and up to 20 years decreased by 20 basis points to reach 2.95%.
- The interest rates with an interest rate fixation of over 20 years and up to 25 years decreased by 18 basis points to reach 3.09%.
- The interest rates with an interest rate fixation of over 25 years and up to 30 years decreased by 13 basis points to reach 3.26%.
- The interest rates with an interest rate fixation of over 30 years decreased by 12 basis points to reach 3.42%.

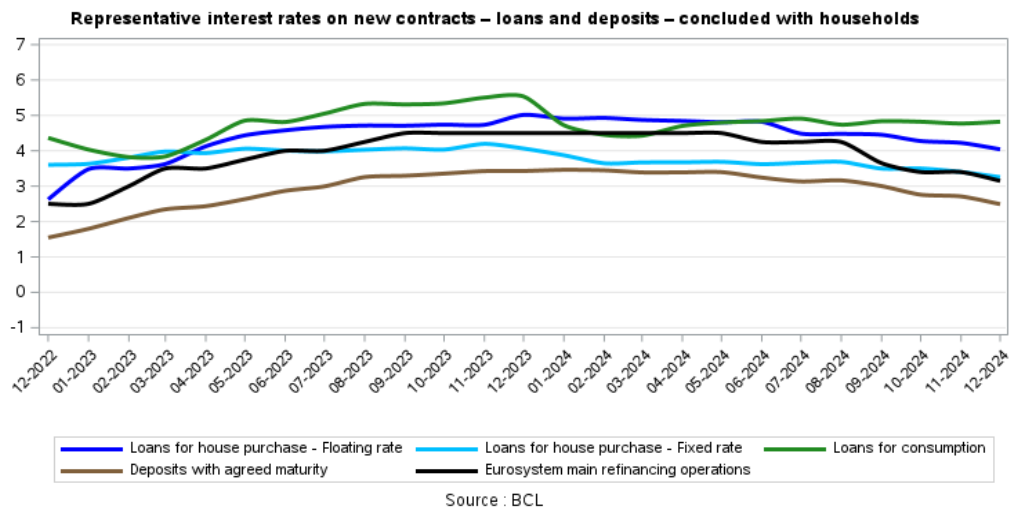
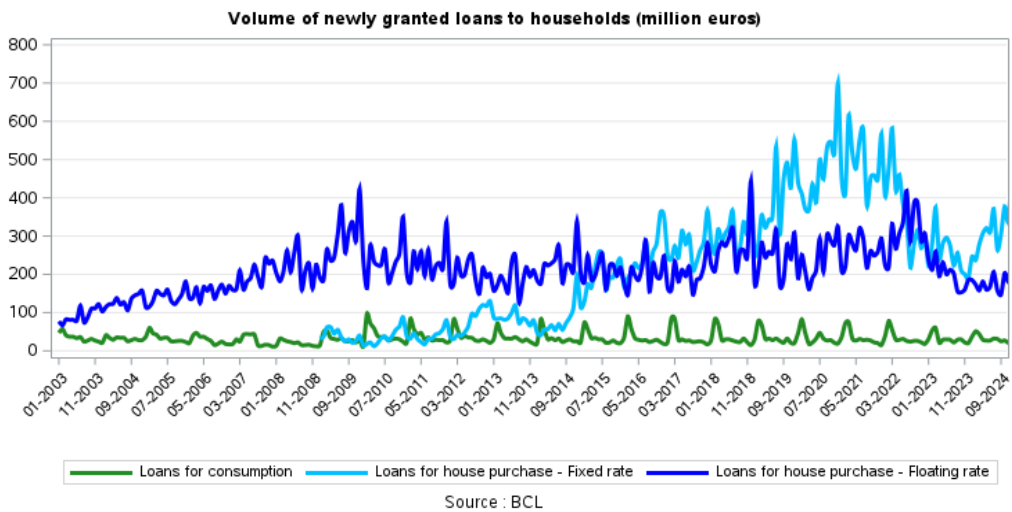
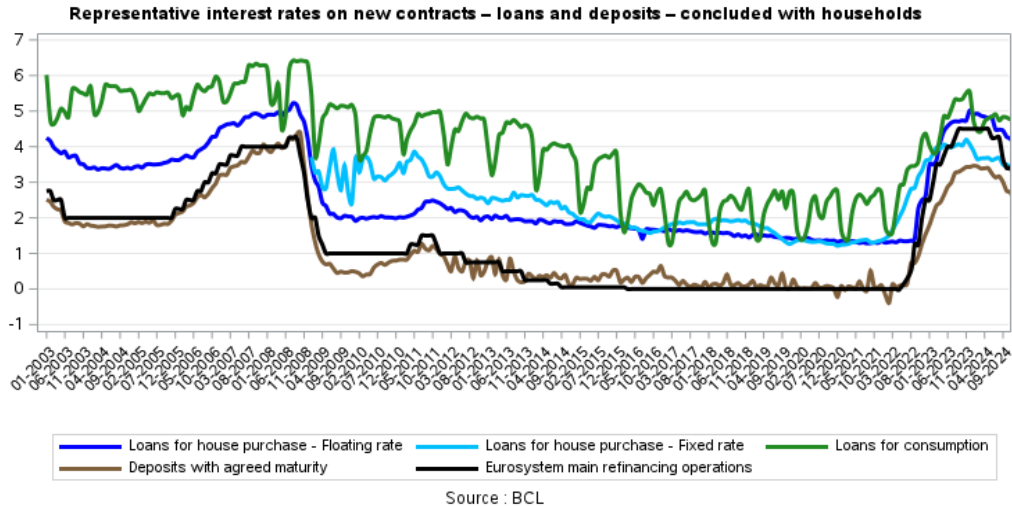
It is important to mention that the indicated rates of the different interest rate fixations are average rates, where the calculations are based on a sample of banks and which are taking into account the volumes of granted loans.

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 5 basis points since November to reach 4.82% in December 2024. The volume of newly granted loans has decreased by 2 million euros to reach 19 million euros in December compared to 21 million euros in November. On a yearly basis, the interest rate has decreased by 72 basis points whereas the volume of new lending has decreased by 1 million euros.

The interest rate on households' fixed-term deposits that have an initial maturity below or equal to 1 year has reached 249 basis points in December 2024 from 271 basis points in November 2024. On a yearly basis, this rate has decreased by 94 basis points.

⁴ Following an update of the statistical data collection, since December 2022 the BCL has been collecting a breakdown of interest rates with an initial fixation rate of over 10 years in five-year intervals.

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.

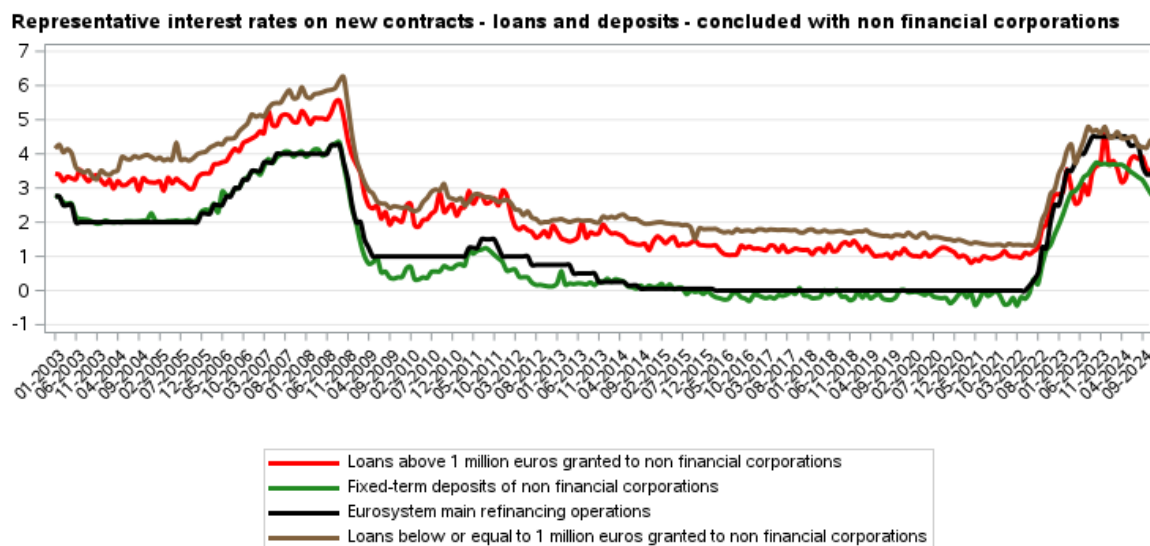


Representative interest rates on new contracts¹ – loans and deposits – concluded with non-financial corporations (NFCs)

The variable interest rate on loans below or equal to 1 million euros granted to NFCs decreased by 27 basis points in December 2024 to 4.13%, compared to 4.40% in November, and the volume has increased by 11 million euros to reach 103 million euros in December from 92 million euros in November. On a yearly basis, this interest rate has decreased by 66 basis points and the volume of newly granted loans has decreased by 27 million euros.

The variable interest rate on loans above 1 million euros granted to NFCs has increased by 24 basis points on a monthly basis to 3.76% during the last reference period, compared to 3.52% in November. The volume of newly granted loans has increased by 691 million euros to reach 1 929 million euros in December compared to 1 238 million euros in November. On a yearly basis, this interest rate has decreased by 91 basis points and the volume of newly granted loans has increased by 162 million euros.

The interest rate on fixed-term deposits of NFCs with an initial maturity below or equal to 1 year has decreased by 12 basis points on a monthly basis since November to reach 2.71% in December 2024. On a yearly basis, this interest rate has decreased by 100 basis points.



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 ou 4599

E-mail : press@bcl.lu

www.bcl.lu