



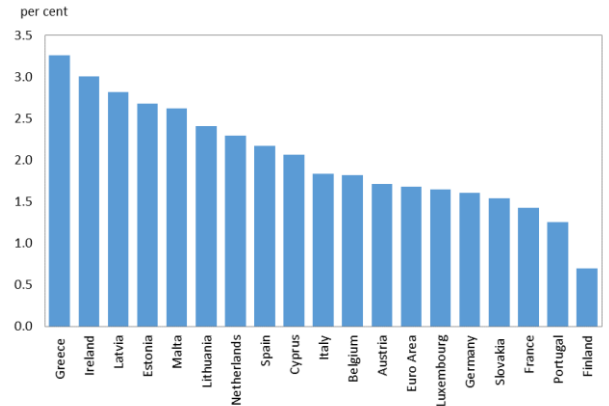
## Retail Interest Rates – May 2019

12 July 2019

### Key Developments in Loans

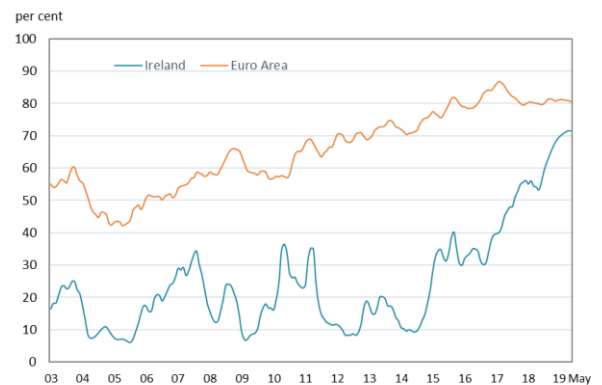
- The **volume of new mortgage agreements\*** amounted to €730 million in May 2019, bringing new agreements to just over €3 billion for the opening five months of 2019, an increase of 12 per cent on the same period the previous year.
- The **weighted average interest rate on all new mortgages** agreed in Ireland stood at 3.01 per cent in May, down two basis points on the previous month. The average rate for the euro area stood at 1.68 per cent, although the rate varied considerably across countries (Chart 1).
- **Fixed rate mortgages** (including renegotiations) accounted for 72 per cent of **all new agreements** in three months to May, compared with 81 per cent of new agreements over the same period in the euro area (Chart 2).
- The **weighted average interest rate on new fixed rate mortgage agreements** stood at 2.90 per cent in May, a decrease of one basis point on the previous month (Chart 3). New fixed rates mortgage agreements averaged 2.96 per cent over the previous twelve months.
- With fixed rate mortgage agreements accounting for an increasing share of the market, the **volume of new variable rate mortgage agreements** amounted to €204 million in May, down 8 per cent on May 2018. The **weighted average interest rate on new variable rate agreements** stood at 3.29 per cent, averaging 3.25 per cent over the previous twelve months.
- **Renegotiated mortgage agreements** amounted to €159 million in May (Chart 4), with fixed rate products accounting for 70 per cent of renegotiations. The weighted average interest rate for all renegotiated mortgages was 2.80 per cent in May.

**Chart 1: Average interest rates on lending for house purchase (excluding renegotiations) across euro area countries, May 2019**



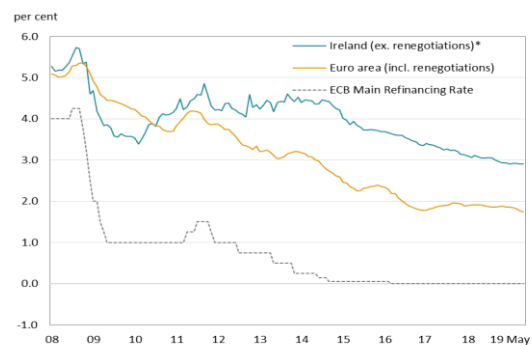
Sources: Retail Interest Rates [Table B.2.1](#), and [SDW](#)

**Chart 2: New mortgage agreements (including renegotiations): Share of fixed rate mortgages (3-month rolling average)**



Sources: [SDW](#)

**Chart 3: Interest rates on new fixed rate loan agreements to households for house purchase**

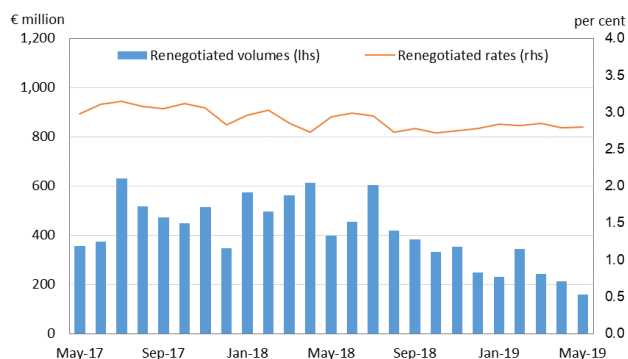


Note: \*Prior to Dec 2014, the Irish rate includes renegotiations  
Sources: Retail Interest Rates [Table B.2.1](#), and [SDW](#)

\*Rates and volumes quoted on this page exclude renegotiations unless otherwise stated

- **New business rates for NFC loans under €1 million**, which includes the majority of SME loans, recorded a weighted average interest rate of 4.26 per cent in May 2019, compared to 4.21 per cent on the same month the previous year.
- For **new NFC loans over €1 million** (floating rate and up to 1-year fixation) the weighted average interest rate in May was 2.04 per cent, and averaged 2.19 per cent over the last twelve months.

**Chart 4: Renegotiated loans for house purchase**

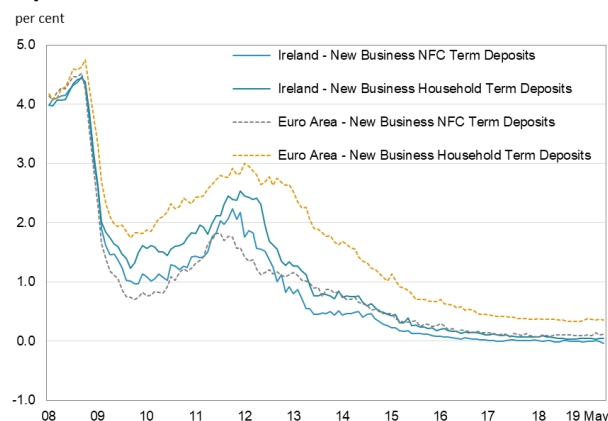


Source: Retail Interest Rates [Table B.2.2](#)

**Key Developments in Deposits**

- **Interest rates on new household term deposits** remained low in May, at 0.05 per cent up one basis point from the previous month (Chart 5). Equivalent euro area stood at 0.36 per cent.
- **New business NFC term deposits** fell by two basis points over the last twelve months, and stood at -0.04 per cent in May. Corresponding NFC term deposit rates for the euro area were also relatively static over the same period, standing at 0.12 per cent in May (Chart 5).

**Chart 5: Interest rates on household & NFC term deposits**



Sources: Retail Interest Rates [Table B.2.1](#), and [SDW](#)

**Note 1:**

Interest rates and new business volumes are collected from credit institutions with a significant level of lending or deposit business with households or non-financial corporations (NFCs). The sample is monitored to ensure compliance with ECB Regulation.

Monthly *Retail Interest Rate Statistics* in Tables B.1.1 to B.2.2 cover all euro-denominated lending to, and deposits from, households and NFCs in the euro area. New business is defined as any new agreement during the month between the customer and the credit institution. This agreement covers all financial contracts that specify the interest rate for the first time, including any renegotiation of existing business (excluding automatic renewals). These statistics are compiled under ECB Regulation and are comparable across the euro area.

Quarterly *Retail Interest Rate Statistics* in Table B.3.1 cover all euro and non-euro denominated mortgage lending in the Republic of Ireland only. New business refers to new mortgage lending drawdowns during the quarter, broken down by type of interest rate (i.e. fixed, tracker and SVR). These statistics are not compiled under ECB MFI interest rate Regulation.

**Note 2:**

There are a number of factors that can lead to differences between *Retail Interest Rate* statistics and interest rates advertised by resident credit institutions. These include renegotiated loans, the inclusion of home improvement loans, and the underlying statistical compilation methodology.

**Note 3:**

In January 2015, a number of enhancements to the calculation of the national weighted average interest rates and national total business volumes were introduced under ECB Guideline (ECB/2014/15). As a result of these enhancements, data have been recalculated for previous reference

periods in order to ensure a consistent compilation of data across time.

Recent data are often provisional and may be subject to revision.

For further details, please see the [Retail Interest Rates](#) webpage for:

- An extensive set of [Retail Interest Rate Tables](#);
- [Retail Interest Rate Statistics Explanatory Note](#);

Previous Interest Rate Statistical Releases can be found [here](#).