



Retail Interest Rates – April 2024

12 June 2024

Household Lending Interest Rates

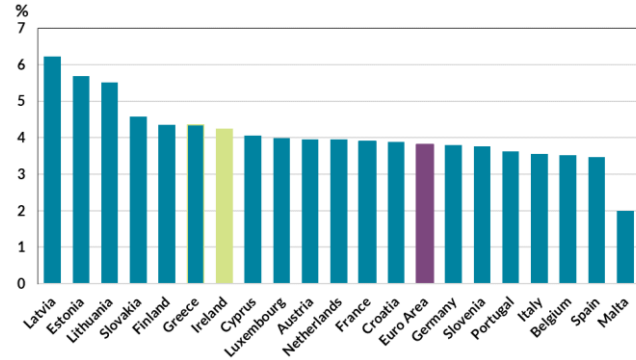
- The **weighted average interest rate on new Irish mortgage agreements**¹ at end- April 2024 was 4.24 per cent (Chart 1), a decrease of 7 basis points from March and increase of 61 basis points annually. The equivalent euro area average dropped by 3 basis points to 3.81 per cent (Table 1). At end-April, the rate in Ireland exceeded the euro area average by 43 basis points (Chart 1), and was the 7th highest in the euro area (6th highest in March).
- The **weighted average interest rate on new fixed rate mortgage agreements**, which constitute 70 per cent of the volume of new mortgage agreements (89 per cent in April 2023), was 4.13 per cent in April. This is a decrease of 6 basis points from March and an increase of 59 basis points from the same month in the previous year.
- **The total volume of pure new mortgage agreements** rose to €693 million in April, a 10 per cent increase from the previous month, and a decrease of 13 per cent annually (Chart 2).
- **Renegotiated mortgages** totalled €128 million in April compared to €145 million recorded in the previous month. 58 per cent of renegotiated mortgages were within the fixed rate category in April, compared to 62 per cent in March. The weighted average interest rate on renegotiated fixed rate mortgages was 4.09 per cent in April 2024, up from 3.26 per cent in April 2023, while the equivalent rate for the variable renegotiated category stood at 4.20 per cent in April 2024.
- The interest rate on **new consumer loans** increased to 7.76 per cent in April 11 basis points higher than the previous month and up 39 basis points from April 2023. The total volume of new consumer loans was €243 million in April 2024, up 4 per cent from March.

Table 1: Weighted average interest rates for house purchase (excluding renegotiations), April 2024

	Interest Rate (%)	M-o-M Change (bps)	Y-o-Y Change (bps)	Volume (€m)
New IE mortgage agreements	4.24	-7	+61	693
of which: · fixed rate	4.13	-6	+59	488
· variable rate	4.53	-6	+13	204
New Euro Area mortgage	3.81	-10	22	45,296

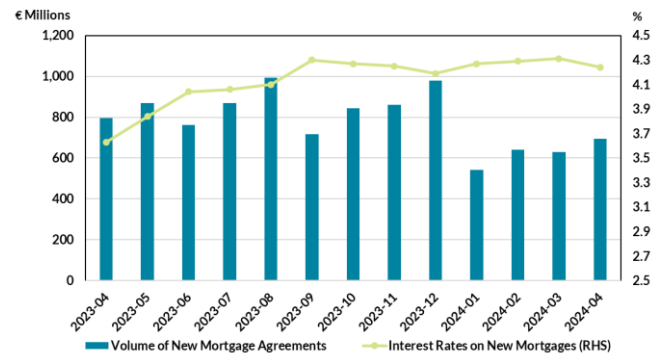
Sources: Retail Interest Rates [Table B.2.1](#) and [ECB Data Portal](#)

Chart 1: Weighted average interest rates on new lending for house purchase across the euro area, April 2024



Source: Retail Interest Rates [Table B.2.1](#), and [ECB Data Portal](#)

Chart 2: Volume and interest rate of new mortgage agreements (excluding renegotiations)



Sources: Retail Interest Rates [Table B.2.1](#) and [ECB Data Portal](#)

¹ Rates and volumes quoted on this page exclude renegotiations unless otherwise stated.

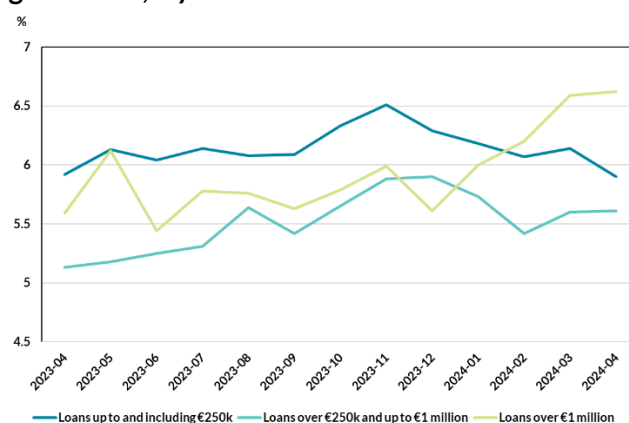
Non-Financial Corporations Lending Interest Rates

- **New NFC loan agreements** decreased to €1.4 billion in April from €1.7 billion in March, and increase 60 per cent from April 2023. The associated weighted average interest rate was 6.45 per cent in April, down 6 basis points from March, but up 85 points from April last year. The equivalent rate in the euro area fell 2 basis points to 5.08 per cent in April 2024.
- The volume of **new NFC loans of over €1 million**, which account for 80% of the volume of all new NFC loans, fell to €1.13 billion in April, an increase of 64 per cent compared to April 2023. The weighted average interest rate on this instrument category was 6.62 per cent in April (Chart 3). This reflects a year-on-year increase of 103 basis points.

Household and Non-Financial Corporations Deposit Rates

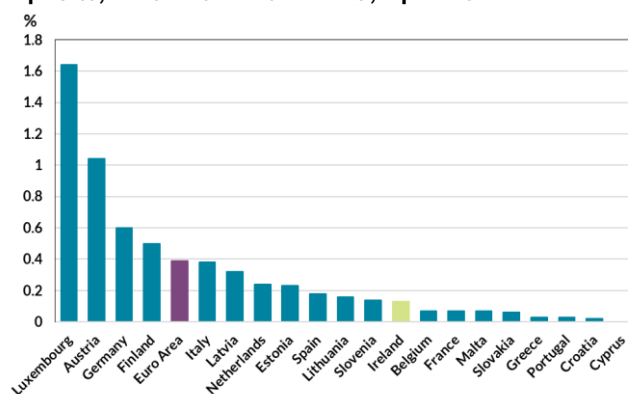
- Interest rates on **household overnight deposits** remained at 0.13 per cent in April 2024 (Chart 4). The weighted average interest rate on **new household deposits with agreed maturity** rose 14 basis points to 2.65 per cent in April (Chart 5). The level of new business in this category was €1.1 billion, which is an 11.4 per cent increase month-on-month and a 222 per cent increase from April 2023, albeit still well below historical levels seen pre-2021. The equivalent rate in the euro area was 3.11 per cent.
- Interest rates on **NFC overnight deposits** increased to 0.12 per cent in April 2024. Interest rates on **new NFC deposits with agreed maturity** increased to 3.46 per cent in April, a 13 basis point increase from March. The corresponding rate in the euro area was 3.65 per cent. The level of new business of NFC term deposits was €3.5 billion in April, a month-on-month increase of 14.6 per cent and a 45 per cent increase from April 2023.

Chart 3: Interest rates of new NFC loan agreements, by loan size



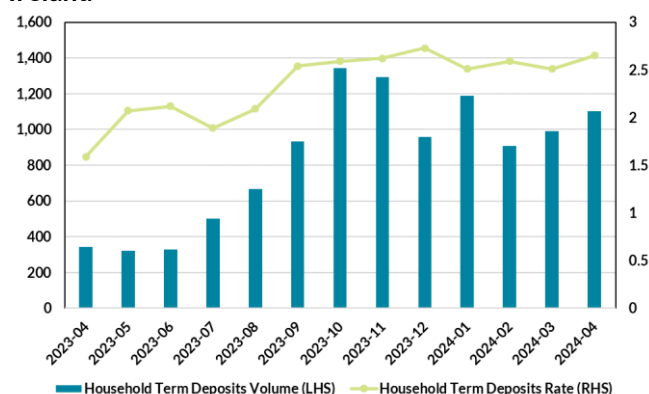
Sources: Retail Interest Rates [Table B.2.1](#)

Chart 4: Interest rates on household Overnight deposits; Ireland and Euro Area, April 2024



Sources: Retail Interest Rates [Table B.1.1](#), and [ECB Data Portal](#)

Chart 5: Term deposit interest rates & Volumes; Ireland



Sources: Retail Interest Rates [Table B.2.1](#) and [ECB Data Portal](#)

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:

The retail interest rate statistics are compiled using a sampling method as outlined in the relevant ECB Regulation and Guideline. The sampling methodology is refined and enhanced over time to maintain alignment with relevant international standards and maintain a quality sampling approach. In such situations, revised methodology

will be applied to historic data to ensure a consistent and coherent compilation of data across time and to allow for time series analysis. The period of revisions will be determined by the impact, feasibility and cost of undertaking the revision. Occasions when methodological revision have occurred are:

- Enhancements to the calculation of the national weighted average interest rates and national total business volumes have been introduced in ECB Guideline (ECB/2014/15) on monetary and financial statistics. These enhancements introduced in the Guideline involve changes to the sampling methods. The changes made contribute to a further harmonization of the data compilation process thus improving cross-country data comparison. The changes apply for reference period December 2014. As a result of these enhancements, data have been recalculated, as per the requirements of Guideline ECB/2014/15, for previous reference periods.
- Changes applied to reduce the maximum grossing factor used in estimating total population data. The changes reduce the potential volatility caused by irregular high grossing factors. The impact of the change is largely confined to new business loans to NFCs, with some minor changes to new business consumer loans. The changes apply from reference period April 2021. Data for previous reporting periods have been recalculated back to February 2019.

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

For further detail, 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](#).

Note 4:

Statistical classification of sole proprietors

In line with their treatment in ESA 2010, the Central Bank has harmonised the treatment of sole proprietors as reported by reporting agents across various datasets. This has resulted in a movement of loans and deposits from the NFC to the Household sector. These amendments were made in February 2022 with respect to reference data from February 2021.

Specifically, these changes result in an increase in loan and deposit volume amounts reported vis-à-vis the household sector, and a decline in balances reported vis-à-vis the NFC sector. This applies to both outstanding and new lending volumes in Tables B.1.2 and Table B.2.1.

For lending rates, this change means that both the aggregate interest rates on NFC loan agreements and on non-mortgage household loans has slightly reduced. The reason for this is that, in general, loans to sole proprietors typically attract a higher average interest rate than NFC loans, and therefore excluding them from the NFC category results in a slight reduction in the aggregated NFC interest rate.

Additionally, the interest rate on loans to sole proprietors is typically lower than the average interest rate on non-mortgage household loans, and therefore including them results in a reduction in the aggregated interest rate on household loans 'for other purposes' in Table B.2.1, and on household 'consumer loans and other loans' in Table B.1.2.

Treatment of securitised loans

As a result of an update to the ECB Regulation on the balance sheet items of credit institutions and of the monetary financial institutions sector (recast) (ECB/2021/2), there have been changes to how certain securitised loans are required to be classified for the purposes of statistical reporting. The following treatment, allowed under the previous Regulation ECB/2013/33, is no longer permitted: 'MFIs [...] may be allowed by their NCB to exclude from the stocks [...] any loans disposed of

by means of a securitisation in accordance with national practice [...]'.

The removal of this derogation from the updated Regulation ECB/2021/2 results in an increase in the reported volume of outstanding house purchase loans in Table B.1.2.