



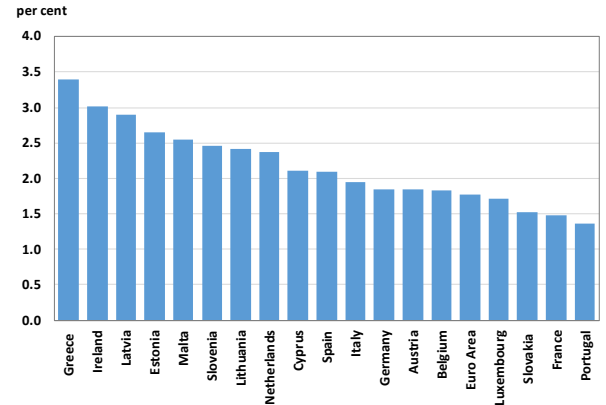
## Retail Interest Rates – January 2019

08 March 2019

### Key Developments in Loans

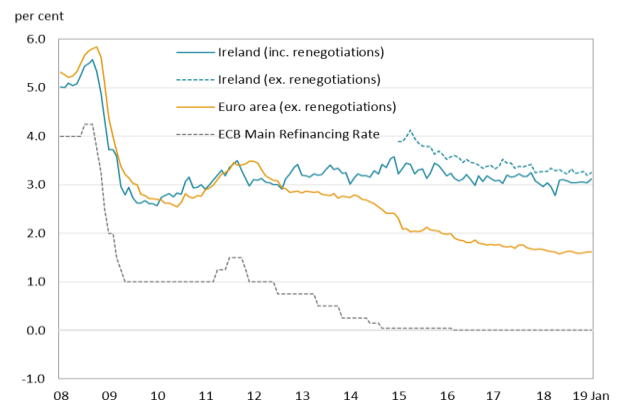
- The **weighted average interest rate on all new mortgages\*** agreed in Ireland stood at 3.01 per cent in January, unchanged on the month. The average rate for the euro area stood at 1.78 per cent, although the rate varied considerably across countries (Chart 1).
- Monthly data for January show a **weighted average interest rate on new variable rate mortgage agreements** of 3.25 per cent (Chart 2), an increase of 5 basis points on the previous month. New variable rates averaged 3.27 per cent over the previous twelve months.
- The **weighted average interest rate on new fixed rate mortgage agreements** stood at 2.91 per cent in January, a decrease of 2 basis points on the month. New fixed rates averaged 3.02 per cent over the previous twelve months
- **Fixed rate mortgages** (including renegotiations) accounted for 70 per cent of **all new agreements**, a new series high, over the three months to January 2019 compared with 81 per cent of new agreements over the same period in the euro area (Chart 3).
- **The value of new mortgage agreements** amounted to €556 million in January 2019, an increase of 9 per cent on the same month in 2018.
- **Renegotiated mortgages** amounted to €232 million in January (Chart 4), with fixed rate products accounting for 70 per cent of renegotiations. The weighted average interest rate for renegotiated mortgages was 2.84 per cent in January.

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



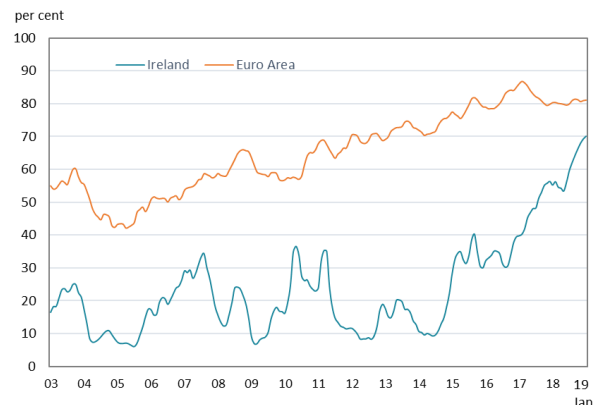
Sources: [SDW](#)

**Chart 2: Interest rates on new variable rate loan agreements to households for house purchase**



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

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

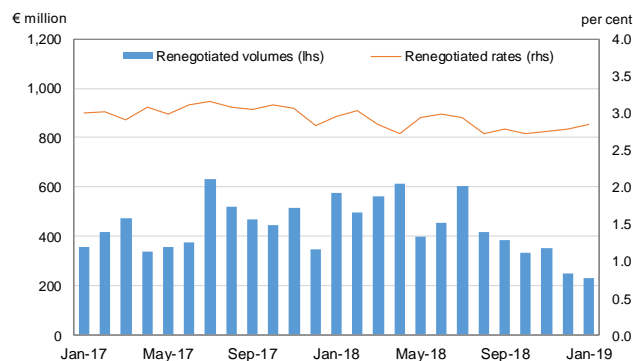


Sources: Retail Interest Rates [Table B.2.1](#), and [SDW](#)

\*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 4.29 per cent in January, a decrease of 4 basis points on January 2018.
- For **new NFC loans over €1 million** (floating rate and up to 1-year fixation) the weighted average interest rate in January was 2.70 per cent, compared to 2.61 per cent in January 2018.

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

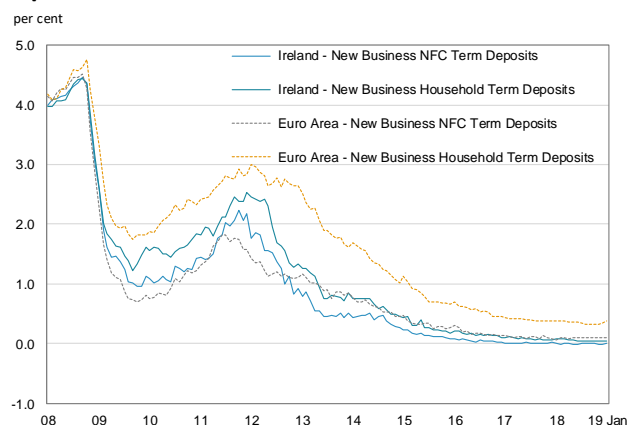


Source: Retail Interest Rates [Table B.2.2](#)

### Key Developments in Deposits

- **Interest rates on new household term deposits** was unchanged in January, at 0.04 per cent (Chart 5). Equivalent euro area rates rose by 3 basis point over the month, to 0.38 per cent.
- **New business NFC term deposits** remained largely unchanged over the last twelve months, and stood at 0 per cent in January. Corresponding NFC term deposit rates for the euro area also remained relatively static over the same period, standing at 0.10 per cent in January (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 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](#).