



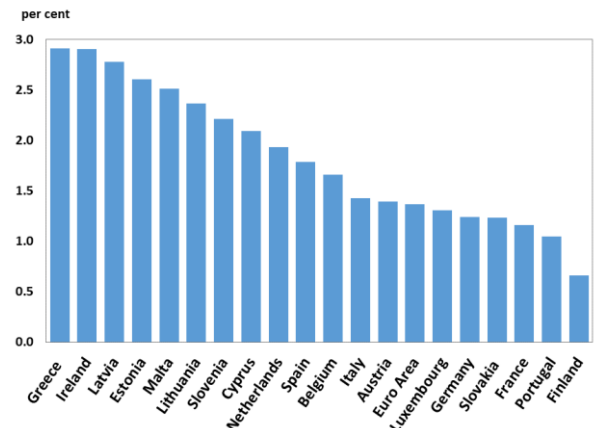
## Retail Interest Rates – November 2019

10 January 2020

### Key Developments in Loans

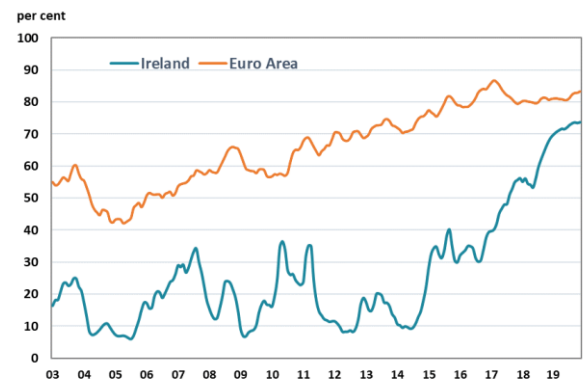
- The **volume of new mortgage agreements\*** amounted to €817 million in November 2019, bringing new agreements to €7.8 billion since the beginning of 2019 – an increase of 10 per cent on the same period of 2018.
- The **weighted average interest rate on all new mortgages** agreed in Ireland stood at 2.90 per cent in November, down 11 basis points since the beginning of the year. The average rate for the euro area was unchanged at 1.37 per cent, although the rate varied considerably across countries (Chart 1).
- **Fixed rate mortgages** amounted to €625 million, representing 77 per cent of **new mortgage agreements** in November. This brings Ireland closer to the preference in the euro area for fixed rate mortgages (Chart 2).
- The **weighted average interest rate on new fixed rate mortgage agreements** stood at 2.81 per cent in November (Chart 3). Fixed rates for new mortgage agreements have fallen by 10 basis points since the beginning of the year.
- With fixed rate mortgage agreements accounting for an increasing share of the market, the **volume of new variable rate mortgage agreements** amounted to €191 million in November – down 20 per cent on November 2018. The **weighted average interest rate** on new variable rate agreements stood at 3.22 per cent in November.
- **Renegotiated mortgage agreements** amounted to €235 million in November (Chart 4), with fixed rate products accounting for 65 per cent of renegotiations. The weighted average interest rate for all renegotiated mortgages was 2.74 per cent in November.

**Chart 1: Average interest rates on lending for house purchase across the euro area, November 2019**



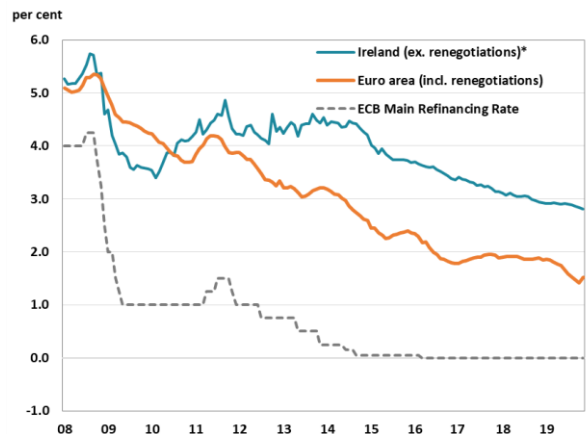
Source: Retail Interest Rates [Table B.2.1](#), and [SDW](#)

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



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

**Chart 3: Average interest rates on new fixed rate mortgage agreements**



Note: \*the Irish rate prior to Dec 2014 includes renegotiations.

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

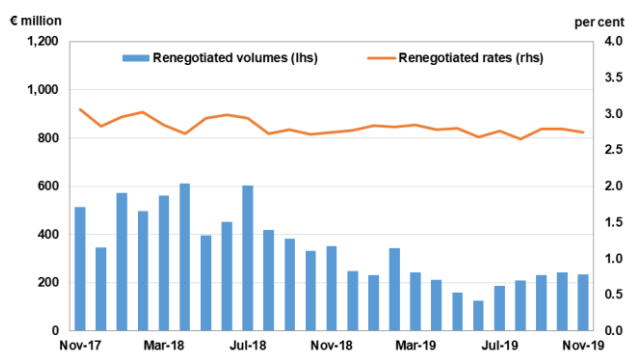
\*Rates and volumes quoted on this page exclude renegotiations unless otherwise stated

- New loan agreements for **consumer lending** amounted to €186 million in November, a decrease of €11 million on the previous month. The average interest rate was 8.04 per cent, while the equivalent euro area rate stood at 5.51 per cent.
- **Interest rates on new NFC loans of under €1 million**, which typically include SME loans, recorded a weighted average interest rate of 5.25 per cent in November 2019, compared to 5.26 per cent one year previous.
- For **new NFC loans over €1 million** (floating rate and up to 1-year fixation), the weighted average interest rate in November was 2.91 per cent, and averaged 2.45 per cent over the last twelve months.

### Key Developments in Deposits

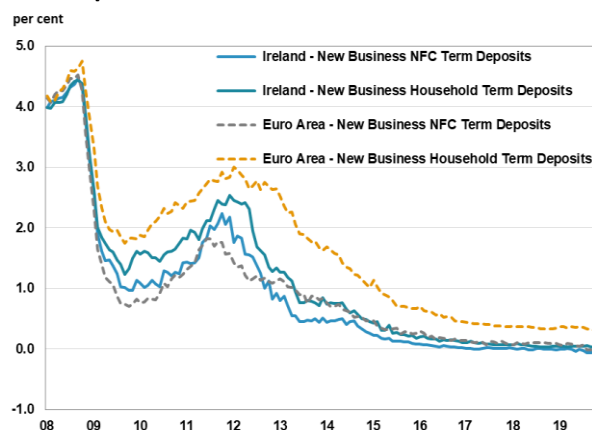
- **Interest rates on new household term deposits** remained close to zero in November, at 0.04 per cent (Chart 5). The equivalent euro area rate stood at 0.29 per cent.
- **New NFC term deposit rates** declined by 3 basis points over the last twelve months and were negative in November at -0.04 per cent. Corresponding NFC term deposit rates for the euro area stood at 0 per cent in November (Chart 5).

Chart 4: Renegotiated loans for house purchase



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

Chart 5: Interest rates on household & NFC term deposits



Source: 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](#).