



### General

This note provides further information on the monthly retail interest rate data produced by the Central Bank (Tables B.1.1 – B.3.1). These statistics satisfy reporting requirements as laid down in *Regulation (EU) No. 1072/2013 of 24 September 2013 (ECB/2013/34)*, as amended by *Regulation (EU) No. 756/2014 of 8 July 2014 (ECB/2014/30)*, concerning statistics on interest rates applied by monetary financial institutions (MFIs) to deposits and loans vis-à-vis households and non-financial corporations (NFCs).

Collection of data under this Regulation began in January 2003. There are a number of important uses for these statistics, for example:

- To analyse the monetary transmission mechanism (i.e. how monetary policy decisions affect the economy through changes in interest rates) through the speed and extent to which changes in policy rates are passed on to customers, and the influence of interest rates on investment decisions and the substitution between current and future consumption;
- To analyse developments in lending to the household and business sectors at a national and euro area level;
- To provide information on the remuneration of the components of money supply (M3);
- Monitoring structural developments in the banking and financial system and financial stability.

The definitions of counterparties, residency, instrument category and maturity are the same as those applied in the *Money and Banking Statistics* (Tables A.1 - A.12.2).<sup>1</sup> In the *Retail Interest Rate* B.1.1 – B.3.1 tables, the wording ‘up to (x) years’ means ‘up to and including (x) years’. The maturity breakdown of the various loans and deposits categories refers to original maturity and not residual maturity.

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<sup>1</sup> These are outlined in detail in the [Money and Banking Statistics Explanatory Notes](#).



### Coverage and scope of the statistics

Interest rates and new business volumes (excluding overnight deposits and deposits redeemable at notice, which are measured as the outstanding amounts) are collected only from credit institutions with significant levels of lending or deposits business with households or NFCs.<sup>2</sup> For this reason, although the data are collected from a sample of institutions, the coverage within the overall sectors is very high. National new business volumes are estimated from the sample. The coverage of the statistics is monitored to ensure that it meets the requirements of Regulation ECB/2014/30.

The data in Tables B.1.1 to B.2.2 refer to lending to and deposits from **households and non-financial corporations (NFCs)** in the **euro area** by credit institutions resident in Ireland. Only rates on **euro-denominated** lending and deposits are covered. Although for the purposes of these statistics, no distinction is made between Irish residents and residents of other member states of the euro area, approximately 99.4% of household and 85% of NFC activity reported in Table B.1.1 and Table B.1.2 is with Irish residents (December 2017 figures). These statistics are compiled under ECB Regulation and are comparable across the euro area.

The data in Table B.3.1 refer to 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, as opposed to new agreements. These statistics are not compiled under ECB MFI interest rate Regulation.

### Notes to Specific Tables

**Tables B.1.1 and B.1.2** provide monthly interest rates on euro-denominated outstanding deposits and loans from/to euro area households and NFCs on the balance sheets of credit institutions resident in Ireland, on the basis of the original maturity of the deposits and loans. This is the term of the deposit or loan when it was agreed, and not the time remaining until the deposit or loan matures. Volumes of outstanding euro-denominated deposits and loans from/to euro area households and NFCs are also presented.

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<sup>2</sup> Credit institutions include institutions that have been granted a banking license in Ireland, and branches of credit institutions in the European Economic Area (EEA), which have established branches in Ireland. A full list is available on the websites of the [Central Bank of Ireland](http://www.centralbank.ie) and the ECB.



**Table B.2.1** provides monthly data on new euro-denominated deposit and loan agreements between euro area households or NFCs and credit institutions resident in Ireland. New business refers to any new agreements between the household or non-financial corporation and the credit institution, and comprises:

- All financial contracts, the terms and conditions of which specify for the first time the interest rate of the deposit or loan; and
- All new (re)negotiations of existing deposits and loans.

For new business loans, it should be noted that;

- Volumes refer to the total amounts *agreed* in contracts between credit institutions' and customers, even if the loan is drawn in a number of stages, or is not drawn down at all;
- New business household loan volumes and interest rates are produced on the basis of the initial period of rate fixation of the loans;
- New business NFC loan volumes and interest rates are produced on the basis of the size of the loan;
- In the case of overdrafts, volumes refer to the amounts outstanding at the end of the month, rather than the total size of facilities;
- Variable rate loans, short-term loans (under one year maturity) and loans which are fixed for up to and including 12 months are placed in the "floating rate and up to 1 year initial rate fixation" category;
- An Annual Percentage Rate of Charge (APRC) interest rate is provided for new consumption purpose loans. This includes charges agreed between the bank and the customer, as well as the interest repayments, expressed as an annualised rate.

A separate house purchase series entitled 'o/w new lending ex. renegotiations' refers solely to:

- All financial contracts, the terms and conditions of which specify for the first time the interest rate of the deposit or loan.

This series is calculated as the difference between total new business volumes and the amount of renegotiations (Table B.2.2), thereby providing a measure of the gross flow of new credit, as distinct from renegotiated loans where no new loans are arriving on the credit market.



**Table B.2.2** presents monthly data on euro-denominated renegotiated loans to euro area households and NFCs, by Irish resident credit institutions. Renegotiated loans refer to new business loans (exclude revolving loans and overdrafts, and credit card debt) that were already on the balance sheet of the credit institution at the end of the preceding month. These data are to be considered a subset of Table B.2.1 and allow for the derivation of 'pure new agreements'. A renegotiation is defined as such when there is active involvement of the customer in adjusting the terms and conditions, including the interest rate, of an existing loan or deposit contract. Automatic renewals of existing deposit or loan products, which occur without any active involvement of the customer is not considered a renegotiation (or new business).

**Table B.3.1** presents quarterly mortgage rate data specific to the Irish market. These data include 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 product (i.e. fixed, tracker and SVR). The data also provide further breakdown of mortgages for principal dwelling house (PDH) and buy-to-let (BTL) properties. Renegotiations of existing loans are not included. These statistics are not compiled under ECB MFI interest rate Regulation as per Tables B.1.1 to B.2.2.

### Frequently Asked Questions

#### **Q1: Do these Tables record rates *advertised* by banks?**

The tables record weighted average rates agreed between credit institutions and customers, which may not be the same as advertised standard rates. The differences include renegotiated loans, the inclusion of home improvement loans, and the underlying statistical compilation methodology. These statistics supersede the more limited collection of advertised rates for lending and deposits which was in place prior to 2003. They are collected according to instrument categories and not individual products to facilitate cross-country comparisons.

#### **Q2: Where can I find interest rate data for other countries?**

Data for other euro area and EU countries can also be downloaded from the Statistical Data Warehouse of the ECB: <http://sdw.ecb.europa.eu/browse.do?node=9691382>. The ECB also publish a euro area bank interest rate statistics [release](#) every month, and provide commentary on financial developments in their [Economic Bulletin](#).