



This is the first release of the monthly Retail Interest Rate Statistics since the government announced the first set of emergency containment measures on 12 March. It is likely to take time for the impact of the COVID-19 measures to flow into these statistics, which include many contracts agreed prior to the emergency measures.

### Key Developments in Loans

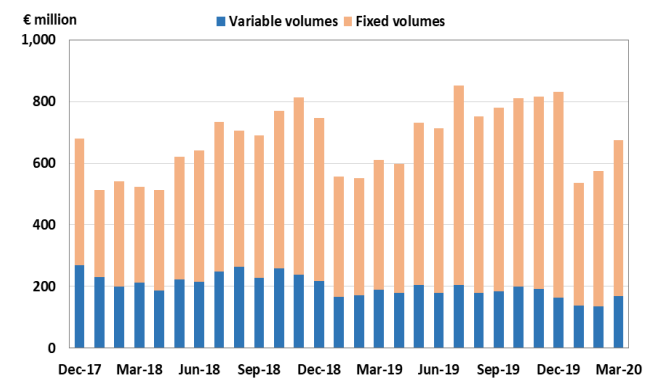
- The volume of new mortgage agreements<sup>1</sup> amounted to €673 million in March 2020, an increase of 17 per cent on February.
- Of this, €506 million was agreed in **new fixed rate mortgages**; an increase of 15 per cent on February. **New variable rate mortgage agreements** increased by 24 per cent to €167 million in March (Table 1 & Chart 1).
- **Fixed rate mortgages** (including renegotiated mortgages) accounted for 74 per cent of **all new agreements** in the three months to March. This compared with 84 per cent of new agreements for the same period in the euro area.
- The **weighted average interest rate on new mortgages** agreed in Ireland stood at 2.80 per cent in March, down 11 basis points on the previous month (Table 1). The average for the euro area stood at 1.31 per cent in March, although the rate varied considerably across countries. Ireland had the second highest mortgage interest rates across the euro area in March.
- The **weighted average interest rate on new fixed rate mortgage agreements** stood at 2.72 per cent in March 2020, a decrease of 6 basis points on February (Table 1 & Chart 2).
- **New variable rate mortgage weighted average interest rates** stood at 3.04 per cent in March 2020, down 29 basis points month-on-month. With lower volumes of agreed variable rate mortgages, the interest rate series can be volatile as rates are weighted by volumes.

**Table 1: Weighted average interest rates for house purchase (excluding renegotiations)**

	Interest Rate (%)	M-o-M Change (bps)	Y-o-Y Change (bps)	Volume (€mn)
New mortgage agreements	2.80	-11	-20	673
<i>of which</i>				
- fixed rate mortgage agreements	2.72	-6	-20	506
- variable rate mortgage agreements	3.04	-29	-13	167
New mortgage agreements - Euro area average	1.31	-4	-43	56,535

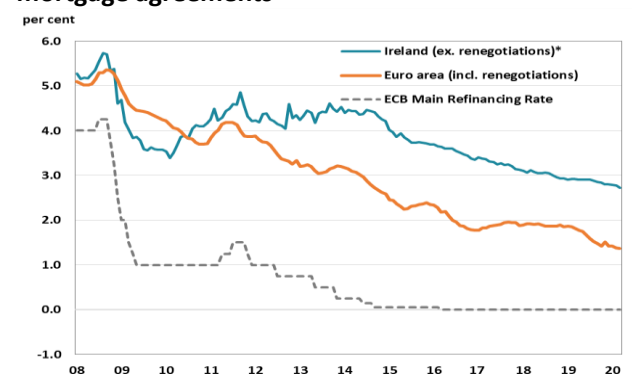
Sources: Retail Interest Rates [Table B.2.1](#), and [SDW](#)

**Chart 1: Volume of new variable and fixed rate mortgage agreements**



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

**Chart 2: Average interest rates on new fixed rate mortgage agreements**



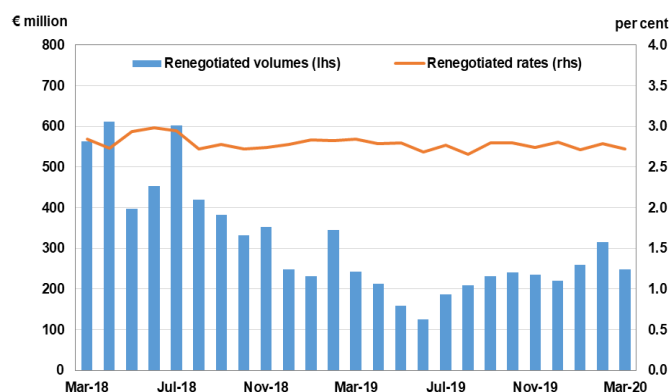
Note: \* Prior to Dec 2014, the Irish rate includes renegotiations

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

<sup>1</sup> Rates and volumes quoted on this page exclude renegotiations unless otherwise stated.

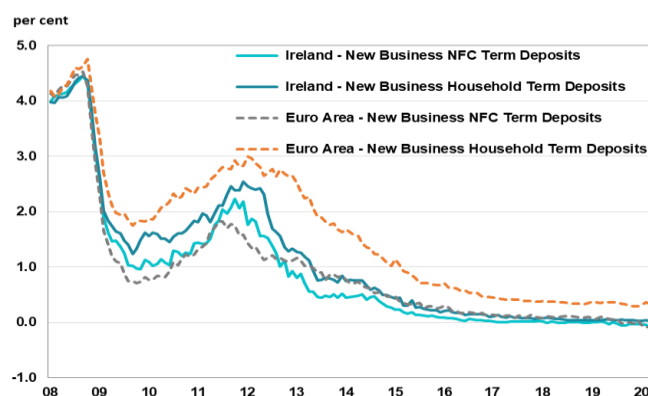
- **Renegotiated mortgages** amounted to €248 million in March (Chart 3). Fixed rate products accounted for 69 per cent of renegotiations. The weighted average interest rate for all renegotiated mortgages was 2.72 per cent in March 2020.
- **Consumer lending** in March decreased by €52 million on the previous month, with €183 million recorded in new loan agreements. However, new consumer loans typically decline in March compared to February. The average interest rate was 7.23 per cent, up marginally from 7.21 per cent the month previous. The equivalent euro area rate stood at 5.46 per cent in March.
- **Interest rates on new NFC loans of under €1m**, which typically include SME loans, recorded a weighted average interest rate of 4.13 per cent in March 2020, compared to 4.40 per cent the previous month. The volume of lending increased by €49 million on the month to €346 million in March. Smaller NFC loans, up to €250k, accounted for almost 80 per cent of this monthly increase in lending.
- **For new NFC loans over €1m (floating rate and up to 1 year interest rate fixation)**, the volume of new lending doubled in the month to €1.98 billion. While weighted average interest rate declined to 1.88 per cent in March, compared to the euro area average of 1.14 per cent.

Chart 3: Renegotiated loans for house purchase



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

Chart 4: Interest rates on household & NFC term deposits



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

### Key Developments in Deposits

- **Interest rates on new household term deposits** were unchanged at 0.03 per cent in March. Equivalent euro area rates stood at 0.34 per cent in March (Chart 4).
- Interest rates on **new business NFC term deposits** in Ireland declined further in March, to -0.08 per cent, a new series low. Corresponding NFC term deposit rates for the euro area also stood at -0.07 per cent (Chart 4).

**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](#).