



## Retail Interest Rates – March 2021

12 May 2021

### Key Developments in Loans

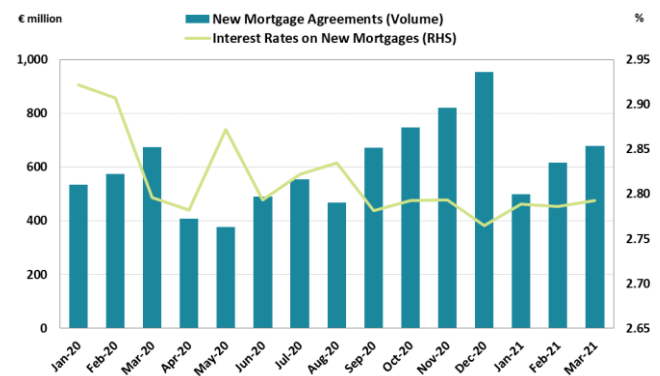
- The **weighted average interest rate on new Irish mortgage agreements<sup>1</sup>** was 2.79 per cent in March 2021, down 1 basis point on March 2020 (Table 1 & Chart 1). The average for the euro area stood at 1.26 per cent in March, although the rate varied considerably across countries. Ireland had the joint highest mortgage interest rates across the euro area (Chart 2).
- The **weighted average interest rate on new fixed rate mortgage agreements** was 2.63 per cent in March, a decrease of 2 basis points from the previous month. Fixed rate mortgages accounted for 81 per cent of new agreements over the month.
- For **new variable rate mortgage agreements**, the **weighted average interest rate** stood at 3.49 per cent in March. This was an increase of 8 basis points from the previous month, although volatility of volumes agreed remains high.
- **The volume of new mortgage agreements** amounted to €678 million in March 2021 (Chart 1). This represents an increase of just 1 per cent on March 2020 and a 10 per cent increase compared with February 2021.
- **Renegotiated mortgages** amounted to €267 million in March, a decrease of 10 per cent on the previous month (Chart 3). The weighted average interest rate for all renegotiated mortgages was 2.82 per cent in March.
- **New consumer lending agreements** (including renegotiations) stood at €165 million in March 2021, a decrease of 10 per cent on the previous year (Chart 4). The average interest rate on consumer loans was 7.02 per cent; the equivalent euro area rate stood at 5.1 per cent.

**Table 1: Weighted average interest rates for house purchase (excluding renegotiations), March 2021**

	Interest Rate (%)	M-o-M Change (bps)	Y-o-Y Change (bps)	Volume (€m)
New mortgage agreements	2.79	0	-1	678
<i>of which</i>				
- fixed rate mortgage agreements	2.63	-2	-9	551
- variable rate mortgage agreements	3.49	8	45	127
New mortgage agreements - Euro area average	1.26	-1	-5	76,338

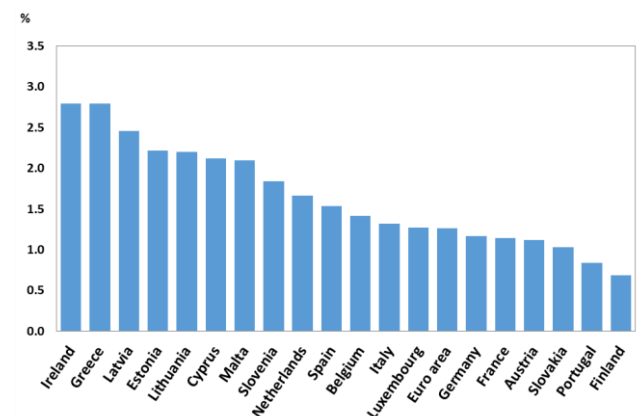
Sources: Retail Interest Rates [Table B.2.1](#), and [SDW](#)

**Chart 1: Volume and interest rate of new mortgage agreements**



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

**Chart 2: Weighted average interest rates on lending for house purchase across the euro area, March 2021**



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

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

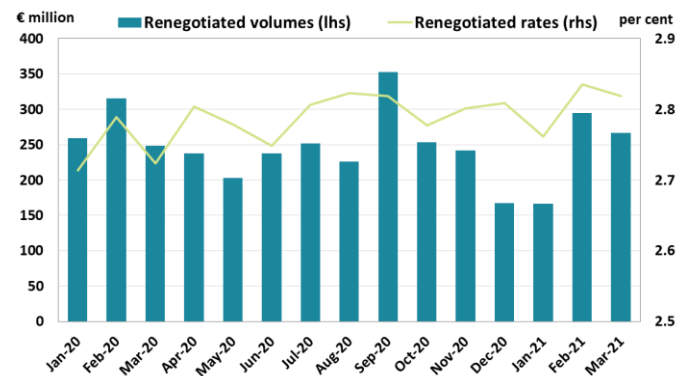
- **Total NFC loan agreements** were €2.1 billion in March 2021, a decrease of 8 per cent on March 2020 (Chart 5).
- There were €232 million in **NFC loan agreements of up to €250k** in March, which was €18 million (or 8 per cent) higher than in March 2020 (Chart 5). The weighted average interest rates on new NFC loans of up to €250k was 4.55 per cent. The equivalent euro area rate was 1.96 per cent.
- For **new NFC loans of over €250k and up to €1 million**, the volume of new lending amounted to €134 million in March. The weighted average interest rate stood at 3.10 per cent in March, with the equivalent euro area rate at 1.49 per cent.
- For **new NFC loans of over €1 million, which represent the majority of new NFC loans**, the volume of new lending amounted to €1,768 million in March, a decrease of 11 per cent on March 2020. The weighted average interest rate stood at 1.87 per cent in March, compared to 1.11 per cent in the euro area.
- **NFC overdrafts** were 27 per cent lower in year-on-year terms in March, at €2,630 million.<sup>2</sup> The weighted average interest rate stood at 4.06 per cent.

### Key Developments in Deposits

- Interest rates on **new household term deposits** remained at 0.10 per cent in March. The equivalent euro area rate was 0.25 per cent.
- Interest rates on **new NFC term deposits** in Ireland stood at -0.46 per cent in March. Corresponding NFC term deposit rates for the euro area stood at -0.10 per cent.

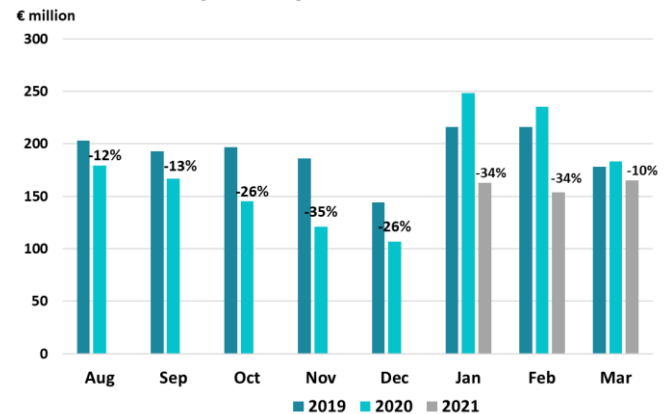
<sup>2</sup> Overdrafts include revolving loans and extended credit card debt.

Chart 3: Renegotiated loans for house purchase



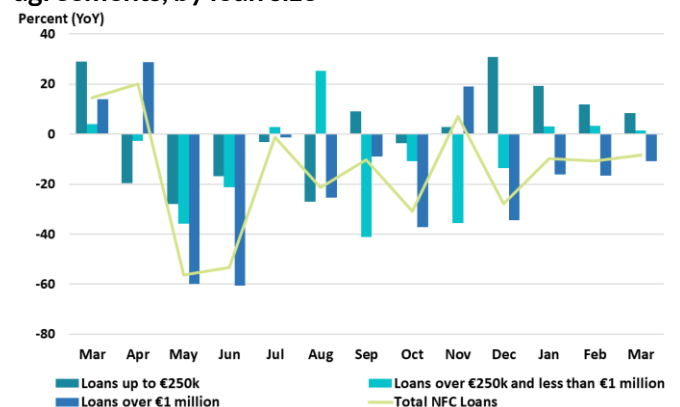
Source: Retail Interest Rates [Table B.2.2](#)

Chart 4: New consumer credit agreements (including y-o-y percentage changes)



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

Chart 5: Annual percentage change in new NFC loan agreements, by loan size



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

<sup>2</sup> Overdrafts include revolving loans and extended credit card debt.

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](#).