



EUROPEAN CENTRAL BANK

EUROSYSTEM

Press release

4 February 2020

Euro area bank interest rate statistics: December 2019

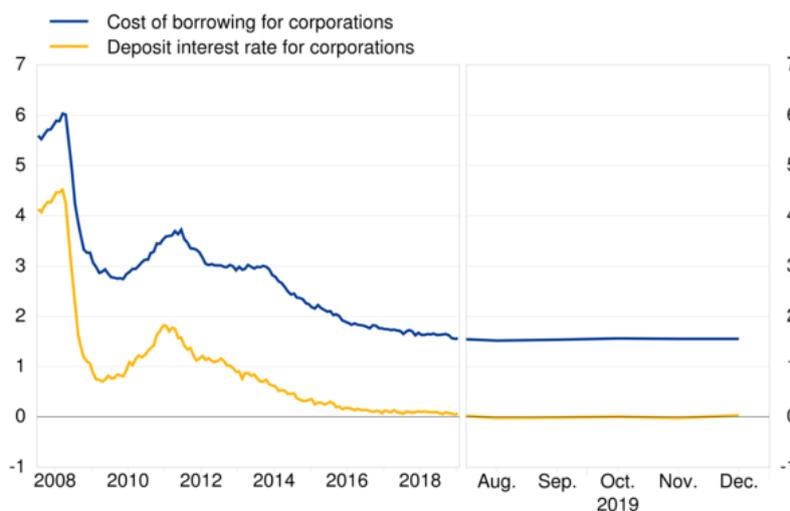
- The composite cost-of-borrowing indicator for [new loans to corporations](#)¹ showed no change at 1.55% in December 2019.
- The composite cost-of-borrowing indicator for [new loans to households for house purchase](#)² decreased by 6 basis points to 1.41% in December 2019, driven by the interest rate effect.
- In the same month, the euro area composite interest rate for [new deposits with agreed maturity from corporations](#) increased by 5 basis points to 0.03%, mainly driven by the interest rate effect.
- The composite interest rate for [new deposits with agreed maturity from households](#) remained broadly unchanged at 0.28% in December 2019.

Bank interest rates for corporations

Chart 1

Bank³ interest rates on new loans to, and deposits with agreed maturity from, euro area corporations

(percentages per annum)



¹ In this press release "corporations" refers to non-financial corporations (sector S.11 in the European System of Accounts 2010, or ESA 2010).

² In this press release "households" refers to households and non-profit institutions serving households (ESA 2010 sectors S.14 and S.15).

³ In this press release "banks" refers to monetary financial institutions except central banks and money market funds (ESA 2010 sectors S.122).

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[Data for cost of borrowing and deposit interest rate for corporations](#)

The composite cost-of-borrowing indicator, which combines interest rates on all loans to corporations, showed no change in December 2019. The interest rate on new loans of over €1 million with a floating rate and an initial rate fixation period of up to three months increased by 12 basis points to 1.26%. This increase was due to developments in several euro area countries and it was mainly driven by the interest rate effect. The rate for new loans of the same size with an initial rate fixation period of over ten years increased by 10 basis points to 1.39%. This month-on-month change was due to developments in two euro area countries and it was driven by both interest rate and weight effects. In the case of new loans of up to €250,000 with a floating rate and an initial rate fixation period of up to three months, the average rate charged remained broadly unchanged at 2.00%.

As regards new deposit agreements, the interest rate on deposits from corporations with an agreed maturity of up to one year rose by 4 basis points to -0.01% in December 2019, driven by the interest rate effect. The interest rate on overnight deposits from corporations stayed more or less constant at 0.01%.

The interest rate on new loans to sole proprietors and unincorporated partnerships with a floating rate and an initial rate fixation period of up to one year decreased by 16 basis points to 2.18%. This decrease was due to developments in two euro area countries and it was mainly driven by the interest rate effect.

[Data for bank interest rates for corporations](#)

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	Bank interest rates				New business volumes (EUR billions)		
	Dec. 2019	Month-on-month change (basis points)			Dec. 2019	Nov. 2019	Dec. 2018
		Interest rate effect	Weight effect				
Corporations							
Composite cost-of-borrowing indicator	1.55%	0	0	0	271.11	269.78	257.95
<i>Loans of over €1 million with a floating rate and an i.r.f. of up to three months</i>	1.26%	+12	+9	+3	142.86	107.76	131.08
<i>Loans of over €1 million with an i.r.f. of over ten years</i>	1.39%	+10	+5	+5	13.18	8.36	12.17
<i>Loans of up to €250,000 with a floating rate and an i.r.f. of up to three months</i>	2.00%	-2	0	-2	22.35	21.02	21.84
Composite interest rate for new deposits with agreed maturity	0.03%	+5	+5	+1	62.82	47.58	66.40
<i>Deposits with an agreed maturity of up to one year</i>	-0.01%	+4	+5	-1	53.87	42.86	59.25
<i>Overnight deposits*</i>	0.01%	-1	-1	0	1,980.89	1,988.45	1,824.61
Sole proprietors and unincorporated partnerships							
<i>Loans with a floating rate and an i.r.f. of up to one year</i>	2.18%	-16	-13	-3	4.04	3.10	4.04

i.r.f. = initial rate fixation

* For this instrument category, the concept of new business is extended to the whole outstanding amounts and therefore the business volumes are not comparable with those of the other categories. Outstanding amounts data are derived from the ECB's monetary financial institutions balance sheet statistics.

Bank interest rates for households

European Central Bank

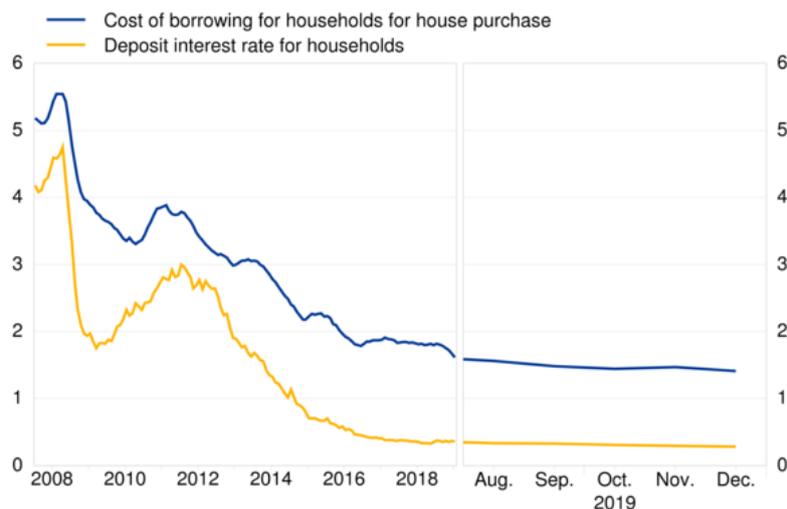
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Chart 2

Bank interest rates on new loans to, and deposits with agreed maturity from, euro area households

(percentages per annum)



[Data for cost of borrowing and deposit interest rate for households](#)

The composite cost-of-borrowing indicator, which combines interest rates on all loans to households for house purchase, decreased in December 2019. While the interest rate on loans for house purchase with a floating rate and an initial rate fixation period of up to one year remained broadly unchanged at 1.46%, the interest rate on housing loans with an initial rate fixation period of over ten years fell by 9 basis points to 1.39%, mainly driven by the interest rate effect. In the same period, the interest rate on new loans to households for consumption fell by 21 basis points to 5.30%. This decrease was due to developments in two euro area countries and it was mainly driven by weight effect.

As regards new deposit from households, the interest rate on deposits with an agreed maturity of up to one year remained broadly unchanged at 0.21% in December 2019. The interest rate on deposits redeemable at three months' notice and on overnight deposits showed no change, at 0.42% and 0.03%, respectively.

[Data for bank interest rates for households](#)

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	Bank interest rates				New business volumes (EUR billions)		
	Dec. 2019	Month-on-month change (basis points)			Dec. 2019	Nov. 2019	Dec. 2018
		Interest rate effect	Weight effect				
Households							
Composite cost-of-borrowing indicator for house purchase	1.41%	-6	-6	0	73.10	72.15	71.81
<i>Loans for house purchase with a floating rate and an i.r.f. of up to one year</i>	1.46%	+3	0	+3	13.63	13.33	12.86
<i>Loans for house purchase with an i.r.f. of over ten years</i>	1.39%	-9	-8	-1	55.27	48.89	37.61
<i>Loans for consumption</i>	5.30%	-21	-4	-17	21.87	24.49	19.69
Composite interest rate for new deposits with agreed maturity	0.28%	-1	-1	0	44.75	41.08	53.29
<i>Deposits with an agreed maturity of up to one year</i>	0.21%	-1	-1	0	34.02	30.58	41.63
<i>Deposits redeemable at notice of up to three months*</i>	0.42%	0	0	0	2,276.05	2,269.52	2,211.28
<i>Overnight deposits**</i>	0.03%	0	0	0	4,327.60	4,296.33	3,973.15

i.r.f. = initial rate fixation

* For this instrument category, the concept of new business is extended to the whole outstanding amounts and therefore the business volumes are not comparable with those of the other categories; deposits placed by households and corporations are allocated to the household sector. Outstanding amounts data are derived from the ECB's monetary financial institutions balance sheet statistics.

** For this instrument category, the concept of new business is extended to the whole outstanding amounts and therefore the business volumes are not comparable with those of the other categories. Outstanding amounts data are derived from the ECB's monetary financial institutions balance sheet statistics.

Further information

Tables containing further breakdowns of bank interest rate statistics, including the composite cost-of-borrowing indicators for all euro area countries, are available from the ECB's [Statistical Data Warehouse](#). A subset is visually presented in "Our statistics" at www.euro-area-statistics.org. The full set of bank interest rate statistics for both the euro area and individual countries can be downloaded from [SDW](#). More information, including the release calendar, is available under "Bank interest rates" in the statistics section of the [ECB's website](#).

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Notes:

- The composite cost-of-borrowing indicators are described in the article entitled "Assessing the retail bank interest rate pass-through in the euro area at times of financial fragmentation" in the August 2013 issue of the ECB's Monthly Bulletin (see Box 1). For these indicators, a weighting scheme based on the 24-month moving averages of new business volumes has been applied, in order to filter out excessive monthly volatility. The tables in this press release present a subset of the series used in the calculation of the cost of borrowing indicators and hence cannot explain all developments in these composite indicators.
- Interest rates on new business are weighted by the size of the individual agreements. This is done both by the reporting agents and when the national and euro area averages are computed. Thus changes in average euro area interest rates for new business reflect, in addition to changes in interest rates, changes in the weights of individual countries' new business for the instrument categories concerned. The "interest rate effect" and the "weight effect" presented in this press release are derived from the Bennet index, which allows month-on-month developments in euro area aggregate rates resulting from changes in individual country rates (the "interest rate effect") to be disentangled from those caused by changes in the weights of individual countries' contributions (the "weight effect"). Owing to rounding, the combined "interest rate effect" and the "weight effect" may not add up to the month-on-month developments in euro area aggregate rates.
- In addition to monthly euro area bank interest rate statistics for December 2019, this press release incorporates revisions to data for previous periods. Hyperlinks in the main body of the press release lead to data that may change with subsequent releases as a result of revisions. Unless otherwise indicated, these euro area statistics cover the EU Member States that had adopted the euro at the time to which the data relate.
- As of reference period December 2014, the sector classification applied to bank interest rates statistics is based on the European System of Accounts 2010 (ESA 2010). In accordance with the ESA 2010 classification and as opposed to ESA 95, the non-financial corporations sector (S.11) now excludes holding companies not engaged in management and similar captive financial institutions.

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