

Press release

8 January 2019

Euro area bank interest rate statistics: November 2018

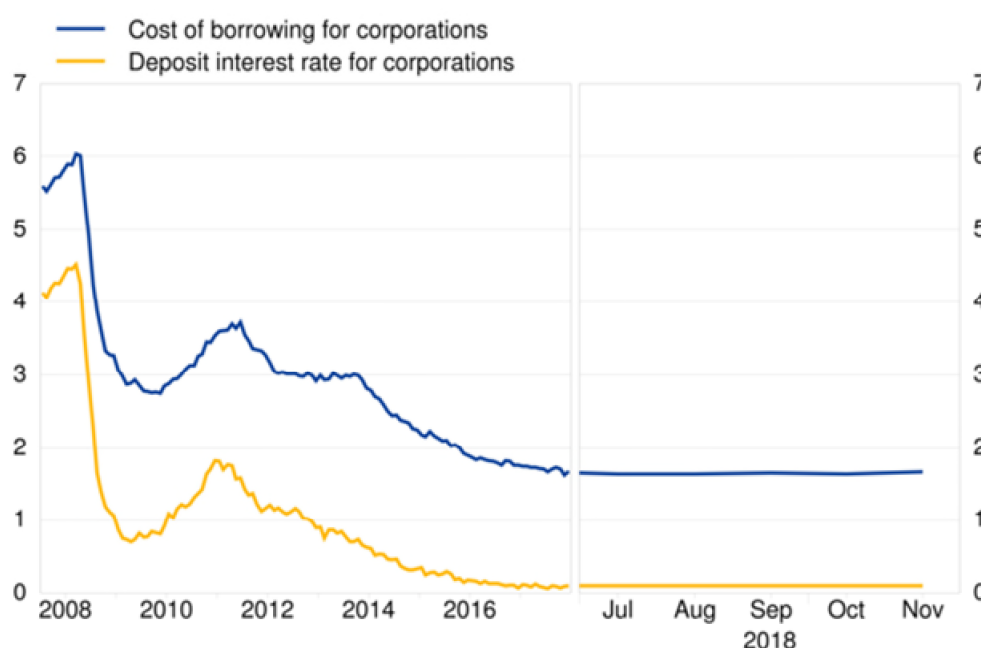
- The composite cost-of-borrowing indicators for [new loans to corporations](#)¹ and for [new loans to households for house purchase](#)² remained broadly unchanged in November 2018, at 1.66% and at 1.81%, respectively.
- In the same month, the euro area composite [interest rate for new deposits](#) from both corporations and households showed no change at 0.10% and at 0.33%, respectively.

Bank interest rates for corporations

Chart 1

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

(Percentages per annum)



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

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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The composite cost-of-borrowing indicator, which combines interest rates on all loans to corporations, remained broadly unchanged in November 2018. 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 and on new loans of the same size with an initial rate fixation period of over ten years remained broadly unchanged at 1.20% and at 1.76%, respectively. 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 increased by 6 basis points to 2.20%.

As regards new deposit agreements, the interest rate on deposits from corporations with an agreed maturity of up to one year stayed more or less constant at 0.06% in November 2018.

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 8 basis points to 2.37%. This decrease was driven by the interest rate effect.

Data for bank interest rates for corporations

	Bank interest rates				New business volumes (EUR billions)		
	Nov. 2018	Month-on-month change (basis points)			Nov. 2018	Oct. 2018	Nov. 2017
		Interest rate effect	Weight effect				
Corporations							
<i>Composite cost-of-borrowing indicator</i>	1.66%	+2	+3	0	258.19	256.99	244.49
<i>Loans of over €1 million with a floating rate and i.r.f. of up to three months</i>	1.20%	-3	0	-3	108.31	116.27	95.65
<i>Loans of over €1 million with i.r.f. of over ten years</i>	1.76%	+3	+7	-4	7.55	7.54	7.24
<i>Loans of up to €250,000 with a floating rate and i.r.f. of up to three months</i>	2.20%	+6	+4	+2	21.76	23.56	20.67
<i>Composite interest rate for new deposits</i>	0.10%	0	+1	-1	50.00	49.75	49.76
<i>Deposits with an agreed maturity of up to one year</i>	0.06%	-1	0	-1	45.49	44.45	44.02
Sole proprietors and unincorporated partnerships							
<i>Loans with a floating rate and i.r.f. of up to one year</i>	2.37%	-8	-9	+1	3.63	4.06	3.76

i.r.f. = initial rate fixation

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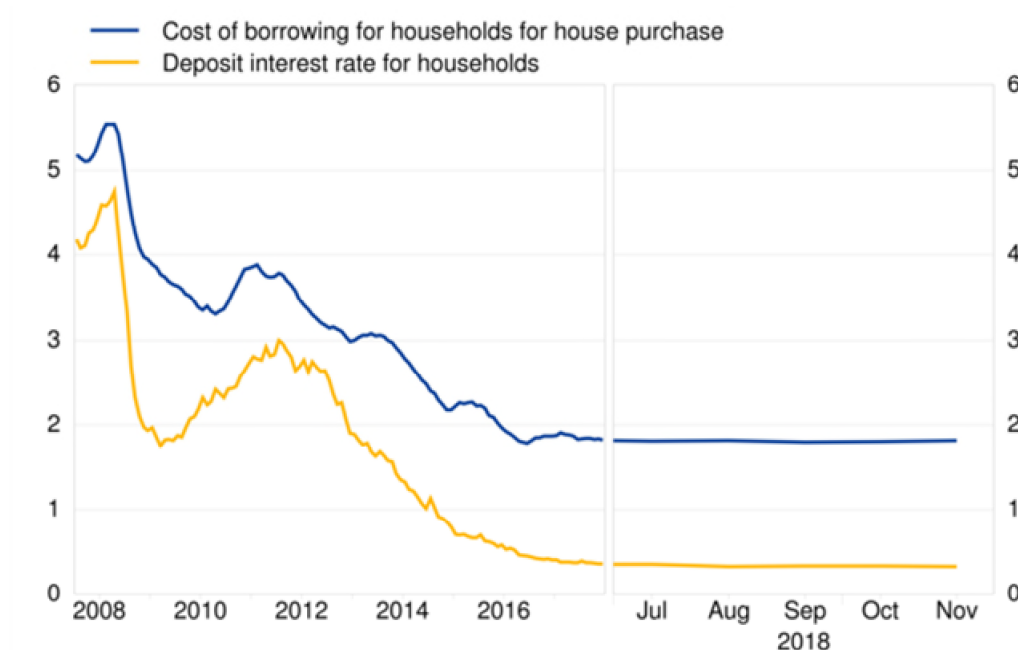
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Bank interest rates for households

Chart 2

Bank interest rates on new loans to, and deposits 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, remained broadly unchanged in November 2018. The interest rate on loans for house purchase with a floating rate and an initial rate fixation period of up to one year showed no change at 1.60%, and the interest rate on housing loans with an initial rate fixation period of over ten years remained broadly unchanged at 1.88%. In the same period, the interest rate on new loans to households for consumption with a floating rate and an initial rate fixation period of up to one year fell by 13 basis points to 4.93%. The month-on-month change was essentially due to the developments in one euro area country and it was driven by both interest rate and weight effects.

As regards new deposits from households, the interest rate on deposits with an agreed maturity of up to one year and on deposits redeemable at three months' notice remained broadly unchanged in November 2018, at 0.29% and at 0.44%, respectively.

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

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	Bank interest rates				New business volumes (EUR billions)		
	Nov. 2018	Month-on-month change (basis points)			Nov. 2018	Oct. 2018	Nov. 2017
			Interest rate effect	Weight effect			
Households							
<i>Composite cost-of-borrowing indicator for house purchase</i>	1.81%	+1	+1	0	72.97	73.57	74.75
<i>Loans for house purchase with a floating rate and an i.r.f. of up to one year</i>	1.60%	0	0	0	13.45	14.14	13.29
<i>Loans for house purchase with an i.r.f. of over ten years</i>	1.88%	+2	+1	+1	35.27	37.54	31.70
<i>Loans for consumption with a floating rate and an i.r.f. of up to one year</i>	4.93%	-13	-8	-5	3.03	2.96	2.83
<i>Composite interest rate for new deposits</i>	0.33%	0	0	-1	52.17	53.92	50.33
<i>Deposits with an agreed maturity of up to one year</i>	0.29%	-1	+1	-1	40.35	42.34	38.44
<i>Deposits redeemable at notice of up to three months*</i>	0.44%	-1	-1	0	2203.84	2201.30	2171.90

i.r.f. = initial rate fixation

* For this instrument category, the concept of new business is extended to the whole outstanding amounts and therefore it is not comparable with the business volumes of the other categories; deposits placed by households and corporations are allocated to the household sector. Volume 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).
- 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 November 2018, 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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