

2 December 2010

PRESS RELEASE

EURO AREA MFI INTEREST RATE STATISTICS: OCTOBER 2010

In October 2010 the majority of the average MFI interest rates on new deposits remained unchanged or increased. The average MFI interest rates on new loans showed mixed developments. Most of the average MFI interest rates on outstanding amounts of deposits remained unchanged, whereas average MFI interest rates on outstanding amounts of loans showed mixed developments.

MFI interest rates on new business: in October 2010 the weighted average rate on deposits from households with an agreed maturity of up to one year increased by 10 basis points to 2.35% while the corresponding deposit rate for non-financial corporations increased by 7 basis points to 1.18%. The weighted average rate on deposits from households redeemable at up to three months' notice remained basically unchanged at 1.54%.

The interest rate on housing loans to households at a floating rate or with an initial rate fixation period of up to one year remained basically unchanged at 2.76% in October 2010. The corresponding rate on loans with an initial rate fixation period of more than five years and up to ten years decreased by 6 basis points to 3.78%. The weighted average rate on loans to households for consumption purposes, with an initial rate fixation period of over one and up to five years, decreased by 17 basis points to 6.01% in October 2010.

In the case of loans to non-financial corporations at a floating rate or with an initial rate fixation period of up to one year, the weighted average rate October 2010 increased by 10 basis points to 3.44% for loans up to EUR 1 million and increased by 8 basis points, to 2.34%, for loans over EUR 1 million during the same period. The weighted average rate on loans to non-financial corporations over EUR 1 million with an initial rate fixation period of more than five years decreased by 6 basis points to 3.45% in October 2010.

MFI interest rates on outstanding amounts: in October 2010 the weighted average interest rate on outstanding amounts of deposits from households with an agreed maturity of up

to two years remained basically unchanged at 2.22%. The corresponding rate on deposits with an agreed maturity of over two years remained basically unchanged at 2.73% in October 2010. The weighted average interest rate on outstanding amounts of deposits from non-financial corporations with an agreed maturity of up to two years increased by 6 basis points to 1.68% in the same month.

In October 2010 the weighted average interest rate on outstanding amounts of loans to households for house purchase with over five years' maturity remained basically unchanged at 3.82% and the weighted average interest rate on outstanding amounts of loans to non-financial corporations with over five years' maturity remained unchanged at 3.38%.

Weighting method: the interest rates on new business are weighted by the size of the individual agreements. This is done both by the reporting agents and when computing the national and euro area averages. In addition to changes in the actual interest rates, changes in the euro area average interest rates on new business therefore reflect changes in the weights of the new business per country for the instrument categories concerned.

Notes

- *In addition to the monthly euro area MFI interest rate statistics for October 2010, this press release incorporates minor revisions to the data for previous periods.*
- *Euro area-wide reporting under Regulation ECB/2008/32 of 19 December 2008 and under Regulation ECB/2009/7 of 31 March 2009 (amending Regulation ECB/2001/18), together with other changes to the statistical reporting framework and practices in several euro area countries, started in July 2010, with respect to the June 2010 reference period. Regulation ECB/2008/32 concerns the balance sheet of the monetary and financial institutions sector, whereas Regulation ECB/2009/7 (amending Regulation ECB/2001/18) concerns statistics on interest rates applied by monetary financial institutions to deposits and loans vis-a-vis households and non-financial corporations. These aforementioned changes may imply updates to preliminary data in subsequent press releases.*
- *"New business" refers to any new agreement between the customer and the MFI, while "outstanding amounts" refers to the stock of all deposits and all loans at a specific moment in time. Three instrument categories – overnight deposits, bank overdrafts and deposits redeemable at notice – form a separate group for which interest rates on new business and on outstanding amounts coincide.*
- *In this press release 'up to' means 'up to and including'.*
- *The period of initial rate fixation is any predetermined period of time at the start of a contract during which the interest rate cannot be changed.*
- *Unless otherwise indicated, the statistics refer to the changing composition of the euro area, i.e. they cover the EU Member States that had adopted the euro at the time to which the data relate. The statistics*

European Central Bank

Directorate Communications, Press and Information Division

Kaiserstrasse 29, D-60311 Frankfurt am Main

Tel.: +49 69 1344 7455, Fax: +49 69 1344 7404

Internet: <http://www.ecb.europa.eu>

Reproduction is permitted provided that the source is acknowledged.

include Greece as of January 2001, Slovenia as of January 2007, Cyprus and Malta as of January 2008 and Slovakia as of January 2009.

- The corresponding business volumes for each of the MFI interest rate categories are shown in Tables 2 and 4 of the annex.
- More detailed information on MFI interest rate statistics, including the release calendar, is available under "MFI interest rate statistics" in the "Statistics" section of the ECB's website (<http://www.ecb.europa.eu>). The latest data on MFI interest rate statistics can be downloaded from the ECB's Statistical Data Warehouse (<http://sdw.ecb.europa.eu/browse.do?node=2018783>).

European Central Bank

Directorate Communications, Press and Information Division

Kaiserstrasse 29, D-60311 Frankfurt am Main

Tel.: +49 69 1344 7455, Fax: +49 69 1344 7404

Internet: <http://www.ecb.europa.eu>

Reproduction is permitted provided that the source is acknowledged.