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General notes to the statistics on interest rates applied by MFIs to euro area residents

Tables 19.3 and following in Chapter 19 of the Statistical Bulletin contain monthly information on the interest rates applied by monetary financial institutions (MFIs) to euro-denominated loans and deposits vis-à-vis households and non-financial corporations resident in the euro area.

Legal framework

This information is compiled in accordance with the rules and formats established in Banco de España Circular 1/2010. This circular, last amended by Circular 5/2014 of 28 November 2014, derives from the transposition into Spanish law of the European Central Bank (ECB) Regulation concerning statistics on interest rates applied by monetary financial institutions ([ECB/2013/34](#)). The statistical standards required in the Regulation are supplemented by those set out in the Guideline on balance sheet item statistics and interest rate statistics of monetary financial institutions ([ECB/2021/11](#)), and by the guidelines contained in the [ECB Manual on MFI interest rate statistics](#) of January 2017.

Purpose

The main purpose of these statistics is to provide the Eurosystem with relevant information for analysis of monetary policy transmission in the euro area Member States. In addition, the European System of Central Banks (ESCB) requires information on how interest rates are evolving, to contribute to prudential supervisory and financial system stability analysis. Accordingly, all the definitions and compilation rules are shaped by these purposes.

Reporting population and information to be reported

The MFIs that report information for these statistics in Spain are Spanish credit institutions, branches in Spain of foreign credit institutions, and specialised lending institutions, all of

which must comply with certain size requirements defined in Circular 1/2010,¹ although the information contained in these tables is presented after being extrapolated to the total population (in accordance with the rules established in the legal framework).

The entities subject to these requirements must submit two returns to the Banco de España each month, one on interest rates applied to outstanding amounts and the other on new business in the month to which the statistics refer.

Weighted averages of outstanding amounts and operations

Interest rates on outstanding amounts are calculated, based on month-end observations, as the weighted averages of the interest rates applied to the corresponding deposit or loan amount at a specific time on the last day of each month. Interest rates on new business are calculated, for each category, as the weighted arithmetic mean of the rates applied to all new business in the month.

Interest rate definitions (NDER and APR)

The interest rates on which these statistics are based are those agreed between the customer and the bank, that is, those applied to loans and deposits. It is important to note that these are aggregates of the interest rates applied to certain categories of instruments, not to individual products, so the interest rate for each category will be the weighted arithmetic mean of the rates applied.

Most of the information gathered is in terms of the Narrowly Defined Effective Rate (NDER), understood as the interest rate component of the annual percentage rate (APR), defined in Rule Eight of Circular 8/1990 of 7 September 1990 on transparency of operations and customer protection, i.e. excluding from the APR any associated expenses, such as repayment insurance premiums and fees and commissions to compensate for any related direct costs, that may be included in the interest rate.

However, for a narrow group of categories, data are also reported on interest rates in APR terms. This is the case of new loans to households by purpose (for house purchase, consumer credit and other purposes),² and new loans to non-financial corporations by loan amount.

New business, new renegotiations and outstanding amounts

As indicated above, banks submit two questionnaires: one on outstanding amounts and the other on new business. Interest rates on new business provide information on the sensitivity and variability of the rates at which loans are being granted or deposits remunerated, while

¹ Specifically, reporting entities are those which, at 31 December, have a summary balance sheet (EMU1) showing total assets of €1.5 billion or more, and a classification of certain assets and liabilities by counterparty and residence (EMU2) showing euro-denominated deposits or loans of €500 million or more vis-à-vis households (including non-profit institutions serving households (NPISHs)) and non-financial corporations resident in Spain or in any other euro area Member State. Nonetheless, the Banco de España may require that other entities and branches that fall below the thresholds indicated in the Circular submit the above-mentioned returns when it deems this necessary in order to ensure that the reported information is sufficiently representative.

² These purposes do not include credit lines, overdrafts, or deferred payment or revolving credit cards.

interest rates on outstanding amounts provide information on the respective current remuneration and cost of loan and deposit portfolios overall.

Within the legal framework on which these statistics are based, all financial agreements whose terms and conditions are specified for the first time are considered new business, along with new negotiations of existing loans or deposits. The terms and conditions of existing loans or deposits may change automatically, with no active intervention by the customer, if this is envisaged in the initial agreement signed; in this case, they will not be considered new business.

Accordingly, new business includes not only new agreements but also changes to existing agreements. This breakdown is available from December 2014.

Series breaks

For the purposes of publication of Tables 19.3 and following of the Statistical Bulletin, the entry into force of Circular 1/2010 modified certain criteria that affected the classification and content of certain operations on which data had been compiled since 2003, resulting in breaks in the data series. Essentially, from June 2010, the “Overdraft” series also includes credit facilities, under the new name “Overdrafts and credit facilities”.

Also from June 2010, the “Consumer credit up to one year” data no longer include credit card lending, which is now included, together with revolving credit card lending, in the “Credit cards” series. Although no information is available on the purpose of credit card lending, these data are now released under the heading “Consumer credit”, while up to June 2010 they were included under “Consumer credit up to one year”.

Breakdown by maturity

The breakdown is by original maturity, except when it is specified that residual maturities are used, and also in the case of new loans whose maturity will be determined by the initial rate fixation period (i.e. a 15-year loan with a variable interest rate revised annually is classified under new business, within the maturity “up to one year”).