

Stats Alert

Kia ora koutou,

In this Stats Alert, we introduce a new weekly publication of *Bank Customer Lending* metrics.

The data is sourced from a weekly survey the Reserve Bank introduced in late-March to better understand the impact of COVID-19 and associated policy initiatives on households, businesses and the banking sector.

Publishing data is important to ensure transparency and inform the public about the impact of the COVID-19 lockdown measures and policy response.

Please provide feedback to stats-info@rbnz.govt.nz

Bank Customer Lending metrics to be published from Monday 27 July

On Monday 27 July, the Reserve Bank will publish a new set of bank customer lending metrics. These metrics are aggregated data sourced from 13 New Zealand banks.

Data will be available in two new web tables:

- C65: Bank Customer Lending flows
- C66: Bank Customer Lending stocks

Content will include downloadable excel files, a summary pdf and chart pack. For the first release we will also include a set of Frequently Asked Questions and a brief insight into key results.

We will publish weekly data within 6 working days from the reference period. For example, the first release on Monday 27 July will include data for the week ending Friday 17 July.

We will review the frequency and content of this survey on an ongoing basis. We do not expect it to be a permanent addition to our suite of surveys.

Content of publication

The C65 weekly flows time series will include customer numbers and lending values for the following metrics in each week:

- Housing (loans secured by residential mortgage)
 - Restructures to interest only
 - Mortgage deferrals
 - Missed payments
- Business lending
 - Restructured loan facilities
 - Missed payments
 - Business Finance Guarantee Scheme (BFGS)
- Consumer Finance
 - Missed payments

Flow data means new credit events, e.g. bank customers' requests for new loans or changes to their existing loans during the course of a week (the reference period).

The beginning of the time series is the week ending 27 March 2020.

The C66 weekly stock time series will initially focus on the BFGS, including:

- Number of approvals
- Undrawn approved limits
- Drawn balances
- Total
- Weighted average interest rate on outstanding balances

Stock data in the C66 shows lending at each point in time. The majority of these time series begin 'as at' Friday 15 May 2020.

In addition to the BFGS, we are now also receiving stock data from banks on consumer, housing and business lending. We are assessing the quality of this data and intend to publish it in the near future.

Data quality

To provide the new metrics we aggregate data sourced from a survey that was introduced by the Reserve Bank in late-March 2020. The objective of the survey is to better understand the impact of Covid-19 and associated policy initiatives. The survey was set up to support prudential monitoring of the banking sector. The banks supply data on a 'best endeavours' basis. This means that while we consider the data valuable for monitoring purposes, it is not fully aligned with the high rigour of statistical frameworks we usually apply to our official statistics.

We have been working closely with the banks to clarify requirements and definitions. Banks have adjusted their systems to supply data and provided backdated data as needed to create clear and consistent time series. We thank them for the effort they have put into supplying good quality data.

Using the data

The data will be of most value in assessing trends over time across the range of metrics.

We do not recommend summing up weekly flow data for any metrics to calculate the total level of exposures. Doing so will heavily overstate total exposures for two main reasons:

- The flow data captures additions to schemes but not customers moving off
- There is double counting across the metrics, as customers will move between support schemes. This is especially prevalent in the business loan restructuring data.

When stock data for consumer, housing, and business lending is published this will give a better picture of total exposures as a proportion of the total loan book.