

Kia ora,

The Reserve Bank is improving the range of statistics available on our website.

This email provides an overview of two new web tables to be released on Tuesday 6 November.

- Yields on loans (B6)
- New residential mortgage "special" interest rates (B21)

We will publish additional information in the coming months for:

- Yields on deposits
- Retail interest rates for call and term deposits

The new yields provide improved insight into banking sector earnings. The yields are calculated, in weighted average terms, from interest on mortgage and business loans earned by banks on their lending portfolio. Loans are business decisions for banks and the yield reflects the performance of those decisions.

We welcome your feedback. Please provide your comments to [stats-info@rbnz.govt.nz](mailto:stats-info@rbnz.govt.nz).

### **New yields (B6)**

On 6 November, the Reserve Bank will begin publishing aggregated banking sector yields for loans fully secured by residential mortgage (both fixed and floating) and for business loans. The new series in web table **B6** replace the series previously published in web table B3.

We have now completed an update to our Bank Income Statement Survey, in collaboration with banks. The revised survey captures the interest income flows for loans fully secured by residential mortgage (both fixed and floating) and the interest income flows for loans for business, to enable the calculation of actual yields for these loans.

Until 2017, the Reserve Bank published monthly yield estimates - also known as "Effective" interest rates - for mortgages and business lending in web table **B3**. We have not updated these series since February 2017. We have also not added or "stitched" the series together due to construction and underlying quality differences between the series.

In future, we plan to release yields for deposits. The interest expenses paid by banks for deposits have also been captured in the updated survey.

### **New residential mortgage "special" interest rates (B21)**

The Reserve Bank has been working with banks to collect a wider range of advertised interest rates for both deposits and mortgage lending in a new Retail Interest Rates Survey.

At the beginning of this year we published revised data for “New residential mortgage “standard” interest rates” (table B20). We are now extending the series released from this survey and are publishing a new table, **B21: New residential mortgage "special" interest rates**. Both these tables are simple averages. Both tables now include fixed rates for 18 months.

“Special” (or ‘discounted’) interest rates are advertised first mortgage interest rates offered by banks to new borrowers for residential property. Special rates or discounts are offered to borrowers who meet specific lending criteria, terms or conditions (e.g. at least 30 percent equity).

Over the coming months, we plan to release further series from this survey, including interest rates for:

- Interest bearing call savings accounts, and
- Interest bearing term and term PIE deposits.

The release date of the interest rate and yield tables will be pushed out by one business day – from four business days after the reference period, to five – from December 2018, to ensure we can maintain the data quality for the additional suite of tables.

If you have any additional feedback please provide your comments to [stats-info@rbnz.govt.nz](mailto:stats-info@rbnz.govt.nz).