



**SVERIGES  
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## AVERAGE LENDING AND DEPOSIT RATES OF BANKS AND HOUSING INTERMEDIARIES

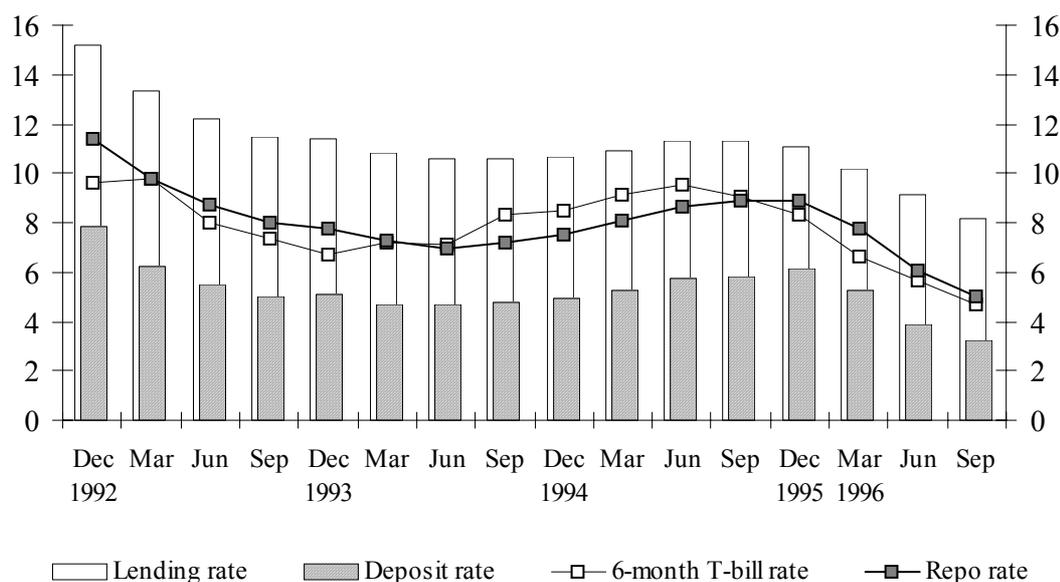
*Lending rate cuts by credit institutions matched the third-quarter fall in market rates*

The average lending rate for banks at end September was 8.2 per cent and for housing intermediaries 9.9 per cent.

The average weighted rate for all loans from banks and housing intermediaries combined at end September was 9.4 per cent. Compared with March 1996 the average interest cost to the non-bank public had accordingly fallen by 1.1 percentage points. The loan stock in question constitutes 85 per cent of the credit institutions' total stock of domestic currency loans to the non-bank public.

Banks lowered their average lending rate in the third quarter by 0.9 percentage points, which matches the downward movement of short market rates in this period.

Average bank lending and deposit rates, treasury bill rate and repo rate



The fall in the banks' deposit rate was smaller, 0.7 percentage points, which narrowed the spread between bank lending and deposit rates from 5.2 to 5.0 per cent.

Lending rates differ across sectors and types of account. For bank loans to non-financial enterprises the average rate was 7.8 per cent as against 9.5 per cent for the household sector. The third quarter fall in lending rates was more marked to non-financial enterprises (0.9) than to the household sector (0.7).

Deposit rates for the household sector were lowered more markedly for savings accounts (0.8) than for transaction accounts (0.3), to 3.0 and 1.7 per cent, respectively. In the business sector the average deposit rate for all types of account was lowered 0.8 percentage points to 3.8 per cent.

The variable interest rate of housing intermediaries (the closest equivalent to the bank lending rate, which was 8.2 per cent) fell 1.0 percentage point in the third quarter to 6.1 per cent. Explanations for the institutional difference are that the bank lending rate includes rates for credit on account and that house mortgage loans are secured with real estate to a greater extent than bank advances.

Copies of the report can be collected at the Riksbank's entrance, No. 7, Malmskillnadsgatan, or ordered from the Riksbank's Information Central fax no. +46 8 787 05 26.

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