

Experience of Compiling Interest Rate Statistics

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Interest rate statistics are important for identifying the monetary policy transmission channels, and have been used as valuable indicators for facilitating reasonable economic activities by economic entities. The Bank of Korea began compiling weighted average interest rates of deposit-taking banks and non-bank deposit-takers from the late 1990s. Since then, in line with the development of financial institution data management systems, it has been improving and expanding on its interest rate statistics from various angles, such as by financial instrument, economic entity, maturity, whether or not there is collateral, and whether the products are fixed or variable rate. The Bank of Korea has therefore compiled and released details of the rates of newly taken and outstanding deposits and loans of deposit-taking banks. In terms of non-bank deposit-takers, however, the data management systems are still lacking and the Bank of Korea has thus only compiled the representative interest rates of newly taken loans and deposits.

As non-banking financial institutions' role in lending and deposit-taking has gradually grown, and their sizes of them have expanded sharply, the need for looking into and compiling the interest rate statistics in these areas from various angles has increased. It is also necessary to examine the interest rates of a variety of financial instruments, not only for identifying the interest rate transmission channel but also for estimating the amounts of interest repayments of households and companies. Moreover, due to the emergence of a number of financial products, new problems in investigating the interest rates of deposit-taking banks have arisen. It has become more difficult for staff in charge to judge the issues of the summing up of interest rates by maturity, due to the rise of revolving-door deposits, and of elimination from the data considered of time deposits held by financial institutions.

By providing an overview of the way in which the Bank of Korea compiles interest rate statistics, and sharing the difficulties faced in the process, this presentation tries to explore better ways of compiling interest rate statistics.

Key Words : monetary policy transmission channels, weighted average interest rates, newly taken deposits/loans , outstanding deposits/loans