

Banks' Lending Rates for Transaction Contracts

(Minimum expected lending rates for participatory contracts)

(percent)

| Year | Manufacturing and mining | Construction and housing | Agriculture | Trade and services | Exports |
|---------------------|--------------------------|--------------------------|-------------|--------------------|-----------------|
| 1363 | 6-12 | 8-12 | 4-8 | 8-12 | — |
| 1364 | 6-12 | 8-12 | 4-8 | 8-12 | — |
| 1365 | 6-12 | 8-12 | 4-8 | 8-12 | — |
| 1366 | 6-12 | 8-12 | 4-8 | 8-12 | — |
| 1367 | 6-12 | 8-12 | 4-8 | 8-12 | — |
| 1368 | 6-12 | 8-12 | 4-8 | 8-12 | — |
| 1369 | 11-13 | 12-14 | 6-9 | 17-19 | — |
| 1370 | 11-13 | 12-16 | 6-9 | 18 (minimum) | — |
| 1371 | 13 | 12-16 | 9 | 18 (minimum) | 18 and over |
| 1372 | 16-18 | 12-16 | 12-16 | 18-24 | 18 |
| 1373 | 16-18 | 15 | 12-16 | 18-24 | 18 |
| 1374 | 17-19 | 15-16 | 13-16 | 22-25 | 18 |
| 1375 | 17-19 | 15-16 | 13-16 | 22-25 | 18 |
| 1376 | 17-19 | 15-16 | 13-16 | 22-25 | 18 |
| 1377 | 17-19 | 15-16, 18, 19 * | 13-16 | 22-25 | 18 |
| 1378 | 17-19 | 15-16, 18, 19 * | 13-16 | 22-25 | 18 |
| 1379 | 17-19 | 15-16, 18, 19 * | 13-16 | 22-25 | 18 |
| 1380 | 16-18 | 15, 16, 17, 19 ** | 14-15 | 23 (minimum) | 18 |
| 1381 ⁽¹⁾ | 15-17 | 14, 15, 16, 18 *** | 13-14 | 22 (minimum) | 17 |
| 1382 ⁽²⁾ | 16 | 15, 18, 21 **** | 13.5 | 21 (minimum) | 16 ^Δ |
| 1383 ⁽³⁾ | 15 | 15, 18, 21 **** | 13.5 | 21 (minimum) | 14 |
| 1384 ⁽⁴⁾ | 16 | 15-16 | 16 | 16 | 16 |
| 1385 ⁽⁵⁾ | 14 | 14 | 14 | 14 | 14 |
| 1386 ⁽⁶⁾ | 12 | 12 | 12 | 12 | 12 |
| 1387 ⁽⁷⁾ | 12 | 12 | 12 | 12 | 12 |
| 1388 ⁽⁸⁾ | 12 | 12 | 12 | 12 | 12 |
| 1389 ⁽⁹⁾ | 12 | 12 | 12 | 12 | 12 |

* Banks' lending rates for construction and housing sector during 1377-79 were as follows:

- Lending rates, with due observance of provisions and regulations of social housing, were 18 percent and, without observance of social housing regulations, 19 percent.
- Lending rates for housing loans and facilities to faculty members and judicial staff up to Rls. 40 million were 15 percent, with due observance of provisions and regulations of social housing and, without observance of social housing regulations, 16 percent.

** Banks' lending rates to the housing sector in 1380 were as follows:

- Housing: Within the framework of the provisions and regulations of social housing, 17 percent
- Housing: Without observance of social housing regulations and in construction sector, 19 percent
- Housing Savings Fund: Within the framework of social housing regulations, 15 percent
- Housing Savings Fund: Without observance of social housing regulations, 16 percent

*** Housing: Within the framework of the social housing regulations, 16 percent; Construction and housing: Without observance of social housing regulations, 18 percent; Housing Savings Fund: Within the framework of social housing regulations, 14 percent; Housing Savings Fund: Without observance of the social housing regulations, 15 percent

**** Housing without depositing, 18 percent; Housing Savings Fund, 15 percent; and construction, 21 percent

Δ As of 14.08.1382, lending rates on loans and facilities declined to 15 percent (Circular No. MB/1496 dated 20.08.1382).

(1) Effective 15.06.1381

(2) Effective 29.03.1382

(3) Effective 09.03.1383

(4) Effective 16.03.1384. In the manufacturing sector, 15 percent from the customer and one percent government subsidy; in the agriculture sector, 13.5 percent from the customer and 2.5 percent government subsidy; in the exports sector, 14 percent from the customer and 2 percent government subsidy; and in the trade sector, banks are authorized to determine lending rates up to 2 percent higher (18 percent). Meanwhile, as of 27.06.1384, lending rate for the housing sector was 15 percent within the framework of social housing regulations, and 16 percent without observance of the social housing regulations.

(5) Effective 06.01.1385. Lending rate for private banks and credit institutions was 17 percent.

(6) Subject of Circular No. MB/1189 dated 02.04.1386. Lending rate for private banks and credit institutions was 13 percent.

(7) Based on Article 6 of the Supervisory-Policy Package of the Banking System for 1387. Lending rates on banking facilities for prioritized projects of Small and Medium Enterprises (SMEs) and agriculture sector would be 10 percent and the remaining 2 percent would be paid through government subsidy. In case the objectives of this project are not realized, the mentioned subsidy will not be paid and the principal and profit of facilities will be paid by the customer.

(8) Effective 01.02.1388. Based on Note 1 of Article 2, the Supervisory-Policy Guidelines of the Banking System for 1388, extension of banking facilities at a lower lending rate is conditioned on the payment of subsidies by the government and realization of the project objectives according to government priorities.

(9) Lending rates for transaction contracts with a maturity of less than 2 years would be 12 percent, and for more than 2 years, 14 percent. Lending rates for facilities extended through installment sale contracts in the housing sector would be 12 percent.

Note: Until end-1384, private banks and credit institutions faced no limitations in setting lending rates.