

3 June 2002

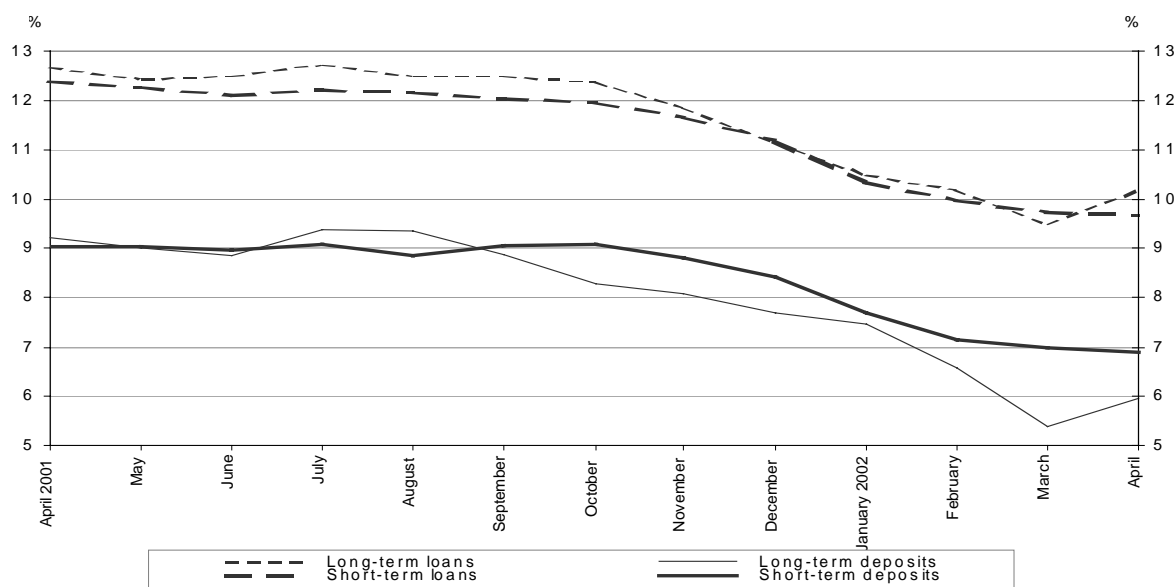
## PRESS RELEASE

### Non-financial corporate and household sector forint interest rates, interbank lending rates

*April 2002*

Average borrowing and deposit rates<sup>1</sup> were generally static in April, following the downward movements in earlier months. The rise in non-financial sector corporate sector long-term borrowing and deposit rates provided the only exception. This is seen as a return to the long-term trend from the very low March data.

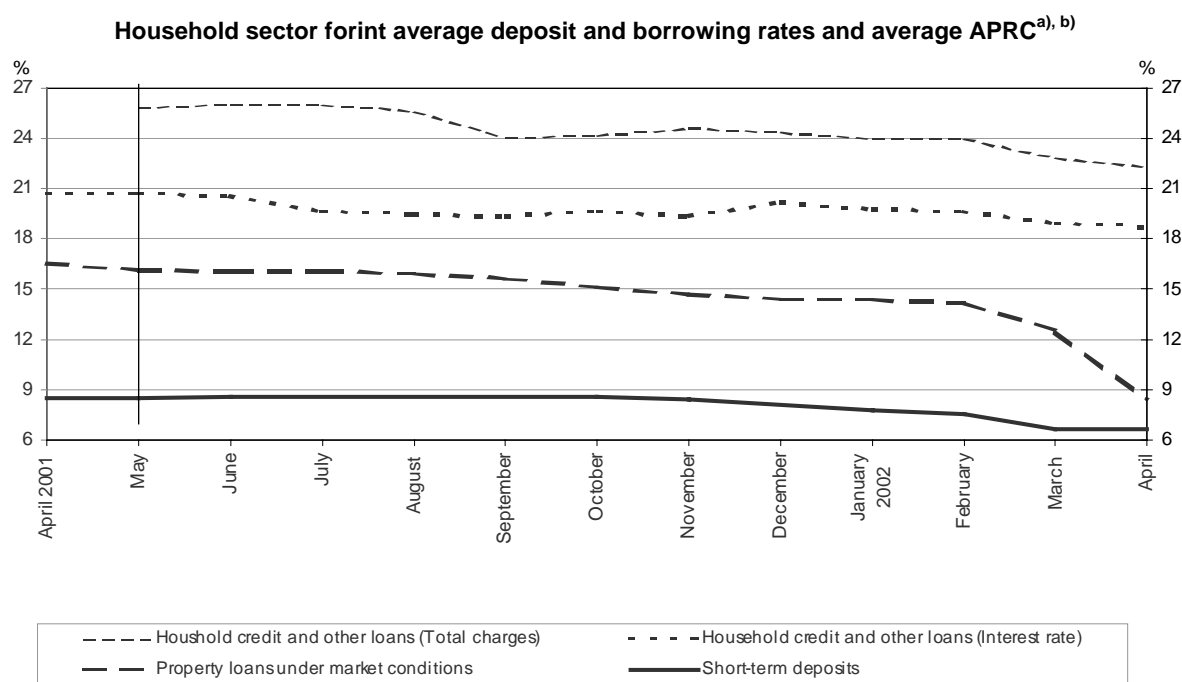
Non-financial corporate sector forint average deposit and borrowing rates



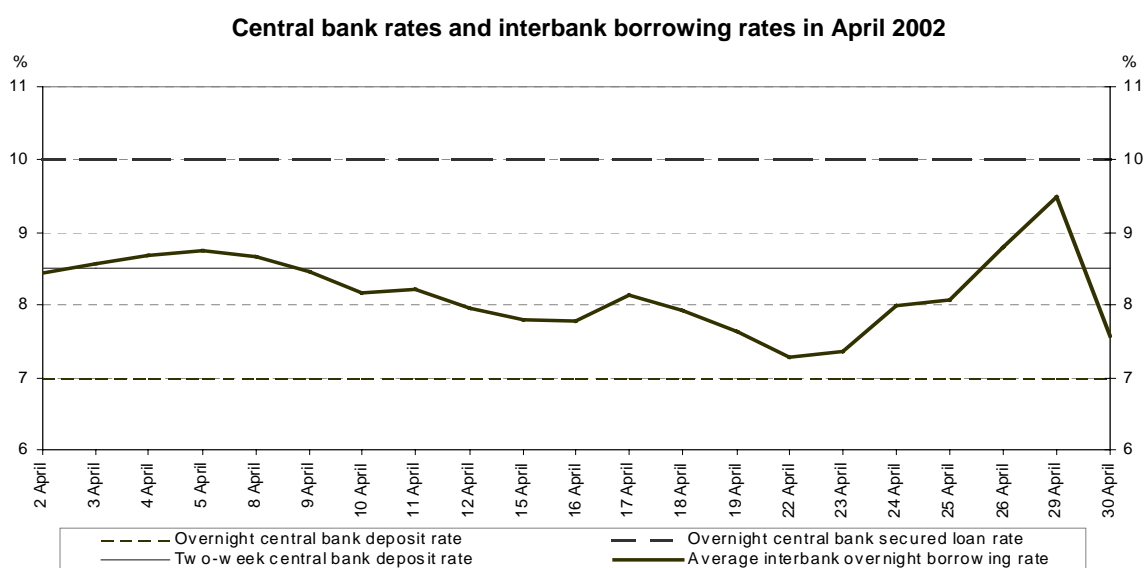
The average of interest rates on short-term loans provided to the non-financial corporate sector under market conditions fell 6 basis points, from 9.74% to 9.68%, mostly on account of changes in composition. That on long-term loans rose 68 basis points, from 9.48% to 10.16%, due to changes in interest rate conditions. The sector's average of short-term deposit rates fell 8 basis points, from 6.98% to 6.90%, that of long-term deposit rates rising 57 basis points, from 5.38% to 5.95%, both due to changes in interest rate conditions. The spread between interest rates on short-term loans and deposits, which play a major role for non-financial corporations, changed from 2.76 percentage points to 2.78 percentage points relative to March.

<sup>1</sup> When calculating average rates and APRC for the individual sectors, depositing and lending during the month under review are applied as weights. The rates do not contain any additional charges (such as fees).

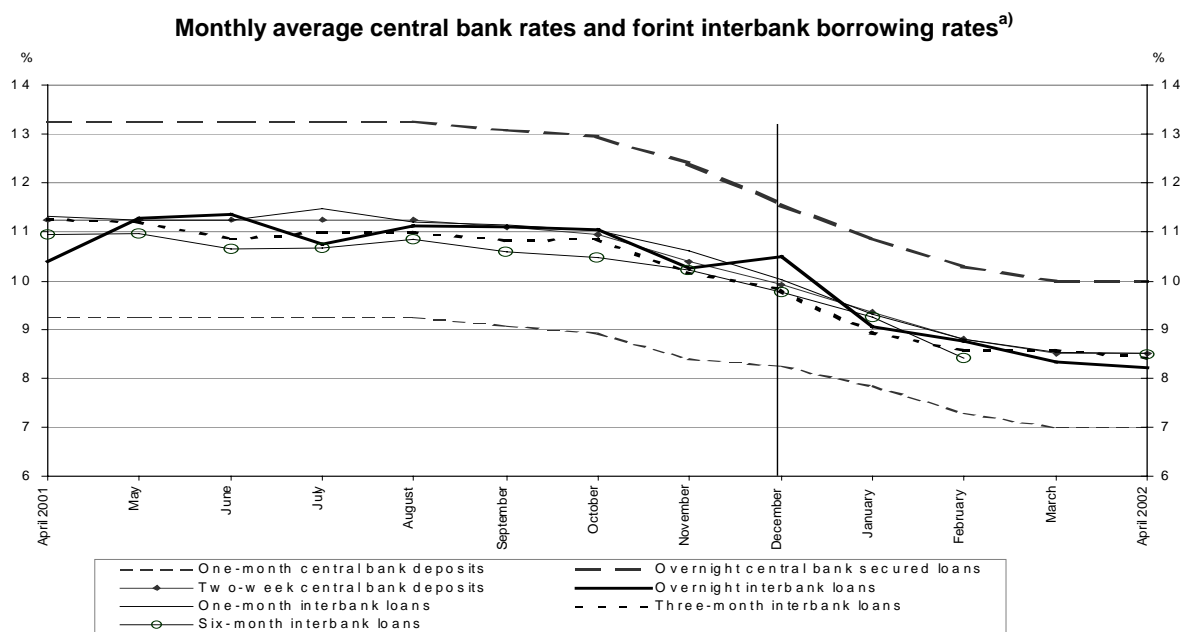
Household sector<sup>2</sup> average interest rates on property loans provided under market conditions fell significantly, by 417 basis points, from 12.54% to 8.37% due to changes in interest rate conditions. The APRC, i.e. total charge in percentages, of property loans was 471 basis points lower, at 8.82%, compared with 13.53% in March. Average rates on consumer credit and other loans fell 27 basis points, from 18.95% to 18.68%, due to changes in rate conditions. The APRC of consumer credit and other loans was 50 basis points lower, down from 22.84% to 22.34%. Households' average sight deposit rate fell 6 basis points, from 2.20% to 2.14%, due to changes in rate conditions. The average short-term deposit rate changed 2 basis points, falling from 6.66% to 6.64%. The average long-term deposit rate fell 12 basis points, from 7.14% to 7.02%, due to changes in composition.



- a) For the period up to December 2001, the APRC of household consumer credit and other loans contain data only on household borrowing for maturities longer than three months.
- b) Household borrowing and deposit rates also contain data on sole proprietors as of May 2001.



<sup>2</sup> As of May 2001, household sector borrowing and deposit rates also contain data on sole proprietors. However, the value of total lending charges regarding sole proprietors is only available as of January 2002.



Forint interbank turnover amounted to Ft 1,337.9 billion in April. This was Ft 62.4 billion lower than in the preceding month. Movements in the daily averages of interest rates on overnight loans were narrow. The average interbank overnight interest rate fell 14 basis points, from 8.34% to 8.20%, and the average borrowing rate for one month fell 4 basis points, from 8.54% to 8.50%, relative to March. The three-month average interest rate was 18 basis points lower, down from 8.58% to 8.40%. The six-month average borrowing rate was 8.48% in April, 7 basis points lower than in the preceding month. (No interbank deal was struck in March for six months.)

\* \* \* \* \*

Daily interbank rates are available on request at the Bank's Press and Public Relations Department.

## Appendix 1

### Non-financial corporate sector<sup>a)</sup> forint average<sup>b)</sup> borrowing and deposit rates

Per cent

	2001										2002			
	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec		Jan	Feb	Mar	Apr
<b>Loans</b>														
Short-term loans <sup>c)</sup>	12,37	12,27	12,08	12,22	12,17	12,04	11,95	11,66	11,18		10,35	9,98	9,74	9,68
Long-term loans	12,69	12,45	12,51	12,72	12,50	12,49	12,39	11,85	11,15		10,48	10,19	9,48	10,16
<b>Time deposits</b>														
Short-term deposits	9,04	9,02	8,98	9,08	8,85	9,05	9,09	8,81	8,40		7,69	7,14	6,97	6,90
Less than one month	8,97	9,00	8,96	9,06	8,79	9,03	9,05	8,79	8,40		7,67	7,14	6,97	6,88
1 month<maturity=<1 year	9,62	9,20	9,27	9,19	9,36	9,30	9,45	9,05	8,38		7,88	7,17	7,02	7,13
Long-term deposits	9,22	9,01	8,86	9,38	9,35	8,89	8,26	8,08	7,70		7,45	6,59	5,38	5,95
<b>Settlement account deposits</b>														
Minimum	1,00	1,00	1,00	1,00	1,00	0,80	1,00	0,50	0,50		0,50	0,10	0,10	0,08
Maximum	12,00	11,50	12,30	11,80	11,60	11,80	11,80	12,00	12,00		11,00	10,75	10,75	10,75

a) Does not include interest rates for sole proprietors from May 2001. Data for sole proprietors account for an insignificant role within average rates,

therefore, the time series are homogenous from a statistical perspective.

b) Weighted monthly average. Data on contracts concluded by banks and specialised credit institutions with non-financial corporations under market conditions in the given month. Borrowing rates do not include additional costs of loans (e.g. fees).

c) The interest rates on the discounted bills were recorded under the short-term loans until December 2001.

### Amount of new business<sup>a)</sup> with non-financial corporates<sup>b)</sup>

Ft millions

	2001										2002			
	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec		Jan	Feb	Mar	Apr
<b>Loans</b>														
Short-term loans <sup>c)</sup>	400 963	523 185	409 806	400 448	356 280	426 227	543 505	472 005	518 429		130 861	113 525	140 199	161 004
Long-term loans	196 550	243 668	175 433	227 974	176 767	241 085	289 384	292 247	357 343		57 801	32 280	44 200	51 695
<b>Time deposits</b>														
Short-term deposits	706 130	813 654	920 098	737 326	915 580	880 301	1 225 677	1 149 453	932 236		1 020 490	1 011 271	1 087 846	937 509
Less than one month	634 111	717 797	848 670	646 422	814 328	811 523	1 093 992	1 067 216	836 788		917 683	950 363	947 277	850 997
1 month<maturity=<1 year	72 019	95 857	71 428	90 904	101 252	68 778	131 685	82 237	95 448		102 807	60 908	140 569	86 512
Long-term deposits	2 837	1 267	1 649	1 214	1 052	795	1 097	1 326	1 689		1 451	1 243	587	816

a) Data on contracts concluded by banks and specialised credit institutions with non-financial corporations under market conditions in the given month.

b) Does not include interest rates for sole proprietors from May 2001. Data for sole proprietors account for an insignificant role, therefore, the time series are homogenous from a statistical perspective.

c) The interest rates on the discounted bills were recorded under the short-term loans until December 2001.

## Appendix 2

Household sector forint average borrowing and deposit rates<sup>a)</sup>

Per cent

	2001										2002			
	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec		Jan	Feb	Mar	Apr
<b>Loans</b>														
Property loans at market conditions <sup>b)</sup>	16,57	16,19	16,01	16,02	15,97	15,62	15,11	14,68	14,38		14,42	14,17	12,54	8,37
Consumer credit and other loans <sup>c)</sup>	20,70	20,66	20,61	19,64	19,49	19,38	19,61	19,38	20,15		19,81	19,69	18,95	18,68
Short-term consumer credit and other	20,93	20,52	20,50	18,80	18,82	18,55	18,74	18,30	19,54		18,93	19,01	18,15	18,20
Long-term consumer credit and other	20,42	20,89	20,81	20,87	20,53	20,76	21,15	21,24	21,43		21,72	20,94	20,76	19,45
<b>Deposits</b>														
Sight deposits	3,36	3,19	3,27	3,20	3,05	3,16	3,21	3,26	2,92		2,75	2,42	2,20	2,14
Short-term deposits	8,53	8,51	8,54	8,56	8,57	8,55	8,54	8,39	8,09		7,76	7,50	6,66	6,64
Less than one month	8,36	8,30	8,35	8,40	8,37	8,35	8,30	8,19	7,94		7,62	7,47	6,54	6,58
1 month<maturity<=3 months	9,35	9,49	9,45	9,51	9,57	9,58	9,58	9,52	8,91		8,74	7,82	7,42	7,10
3month<maturity<=1 year	8,89	8,95	8,87	8,92	8,97	8,98	8,90	8,61	8,09		7,78	7,52	7,01	6,83
Long-term deposits	8,93	8,75	9,09	9,11	8,89	8,77	8,73	8,68	8,30		8,24	7,66	7,14	7,02

a) Data on contracts concluded by banks and specialised credit institutions with households under market conditions in the given month.

b) Housing loans (building, property, renovation and addition) and other (holiday homes, garages) provided under market conditions with or without mortgage.

c) Includes overdrafts, personal loans, Lombard loans, instalment credit, car purchase loans, mortgage loans etc.

Amount of new business with households<sup>a)</sup>

Forint millions

	2001										2002			
	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec		Jan	Feb	Mar	Apr
<b>Loans</b>														
Property loans at market conditions <sup>b)</sup>	4 685	6 727	10 726	9 587	8 789	8 243	9 756	6 133	6 857		4 455	5 088	6 693	10 158
Consumer credit and other loans <sup>c)</sup>	57 641	67 787	64 938	69 645	69 119	65 273	77 795	72 774	80 584		65 845	69 127	70 224	80 457
Short-term consumer credit and other	31 656	42 780	41 241	41 474	41 728	40 610	49 806	46 013	54 736		45 086	44 569	48 734	49 685
Long-term consumer credit and other	25 985	25 008	23 697	28 171	27 391	24 663	27 990	26 761	25 848		20 759	24 559	21 489	30 772
<b>Deposits</b>														
Sight deposits	528 227	651 738	576 448	639 451	634 110	565 963	705 434	602 507	640 369		520 664	456 822	487 070	484 556
Short-term deposits	651 580	670 830	683 572	707 299	748 563	717 599	764 778	773 786	838 863		880 555	834 673	829 725	858 717
Less than one month	526 076	537 232	543 739	576 740	598 606	579 214	598 416	627 477	663 255		713 893	717 913	702 810	730 481
1 month<maturity<=3 months	98 675	95 352	99 939	84 763	107 290	99 567	122 660	98 726	114 712		99 212	74 202	87 080	79 030
3month<maturity<=1 year	26 829	38 246	39 895	45 795	42 666	38 818	43 702	47 583	60 895		67 449	42 557	39 835	49 207
Long-term deposits	5 787	9 632	8 184	6 484	7 840	6 125	8 317	8 798	20 411		13 708	10 643	9 014	10 164

a) Data on contracts concluded by banks and specialised credit institutions with households under market conditions in the given month.

b) Housing loans (building, property, renovation and addition) and other (holiday homes, garages) provided under market conditions with or without mortgage.

c) Includes overdrafts, personal loans, Lombard loans, instalment credit, car purchase loans, mortgage loans etc.

## Appendix 3

Changes in household sector average interest rate<sup>a)</sup> on average total charge<sup>b)</sup> of forint loans

Per cent

	2001								2002			
	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr
<b>Overdrafts</b>												
Average interest rate	20,12	20,10	20,34	20,27	18,98	19,07	18,95	18,90	18,43	18,76	17,78	17,78
Average total charge	26,58	26,53	26,82	26,75	23,98	24,14	23,82	23,79	22,24	22,96	21,07	21,28
<b>Personal loans</b>												
Average interest rate	23,73	23,46	22,74	20,60	20,86	23,66	23,12	22,89	22,50	22,12	22,08	22,92
Average total charge	29,12	29,66	29,16	25,91	26,23	29,78	28,24	27,81	27,67	28,32	28,04	27,70
<b>Lombard loans</b>												
Average interest rate	17,82	17,31	18,04	16,67	17,22	17,64	16,09	16,72	15,85	15,31	14,98	15,07
Average total charge	20,22	19,73	20,94	19,81	20,59	19,84	18,02	18,17	17,87	17,58	17,38	17,47
<b>Installment credit</b>												
Average interest rate	27,05	28,06	28,15	27,31	27,90	27,54	27,95	28,97	27,44	28,71	28,02	27,80
Average total charge	33,45	34,61	35,15	33,88	33,90	34,25	34,54	35,14	35,73	36,68	35,39	35,00
<b>Car purchase loans</b>												
Average interest rate	19,75	19,69	19,60	19,79	19,76	19,22	18,56	17,93	18,55	18,62	17,58	16,71
Average total charge	21,82	22,40	22,28	22,47	22,39	20,84	20,31	18,54	20,29	20,78	19,77	18,54
<b>Mortgage loans</b>												
Average interest rate	18,64	18,72	18,59	18,68	18,61	18,60	18,44	18,59	18,64	18,51	18,21	17,31
Average total charge	21,15	21,05	20,37	20,79	20,14	19,39	20,85	20,99	22,91	22,60	22,16	22,04
<b>Other loans</b>												
Average interest rate <sup>c)</sup>	16,75	16,63	16,31	17,64	16,84	16,41	14,87	14,82	27,28	24,61	22,41	19,86
Average total charge	22,53	22,79	23,54	20,11	21,50	22,83	24,19	20,57	32,17	29,39	28,06	22,39
<b>Total consumer credit and other loans</b>												
Average interest rate	20,44	20,44	20,51	20,29	19,62	19,78	19,74	19,77	19,81	19,69	18,95	18,68
Average total charge	25,85	26,06	26,12	25,68	24,11	24,26	24,60	24,38	23,99	24,04	22,84	22,34
<b>Market-related mortgage</b>												
Average interest rate	..	..	..	..	..	..	..	..	14,42	14,17	12,54	8,37
Average total charge	..	..	..	..	..	..	..	..	15,72	15,41	13,53	8,82

a) From May to December 2001, rates on consumer credit and other loans comprise rates on lending to individuals and sole proprietors with a maturity of over three months. As of January 2002, rates on consumer credit and other loans apply to the whole household sector, and also include rates on loans with a maturity of less than three months.

b) For the period May to December 2001, total lending charges are only available on household consumer credit and other loans with a maturity of over three months.

c) The large gap between average interest rates on other loan types in 2001 and 2002 is explained by the high rates on other loans for periods shorter than three months, as average rates for the period prior to December 2001 do not cover loans for terms less than three months.

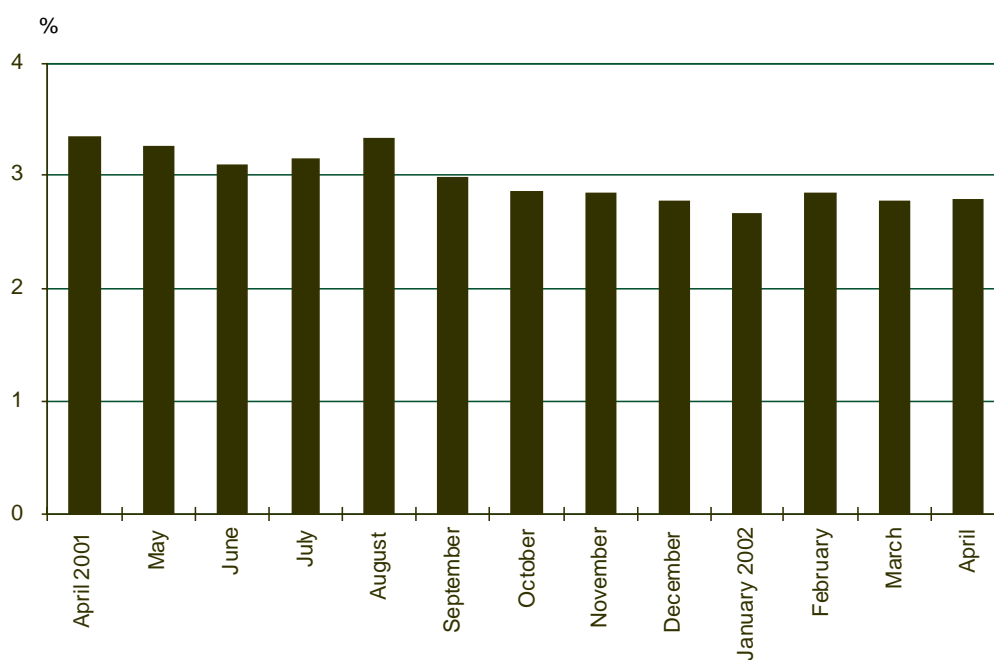
Composition of household sector consumer credit and other loans  
—percentage of shares of loans within total outstanding debt<sup>a)</sup>

Per cent

	2001								2002			
	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr
<b>Consumer and other loans</b>												
Overdraft	51,22	51,46	54,03	54,52	54,06	56,03	52,04	54,15	67,70	66,83	64,12	62,61
Personal loans	11,90	12,30	8,65	11,63	11,42	7,87	11,28	6,77	4,43	5,20	6,57	7,16
Lombard loans	2,83	3,25	2,14	1,66	1,95	2,19	1,99	1,85	1,44	1,60	1,51	1,58
Installment credit	5,23	5,12	6,81	6,08	6,26	6,58	7,91	9,75	7,29	4,12	4,31	4,15
Car purchase loans	7,90	7,89	7,42	6,18	6,23	6,84	7,83	5,63	4,44	3,45	3,57	3,97
Mortgage loans	17,26	16,25	16,53	16,20	16,30	16,33	13,03	16,20	8,44	11,33	10,12	8,89
Other loans	3,66	3,75	4,42	3,72	3,80	4,16	5,92	5,67	6,27	7,46	9,81	11,66
<b>Total</b>	100,00	100,00	100,00	100,00	100,00	100,00	100,00	100,00	100,00	100,00	100,00	100,00

a) There are only THM (average total charge) to consumer credit and other loans with maturities of more than 3 months from May 2001 to December 2001.

**Differential between short term average deposit and borrowing rates  
of non-financial corporations**



**Differential between short term average deposit and borrowing rates  
of non-financial corporations**

