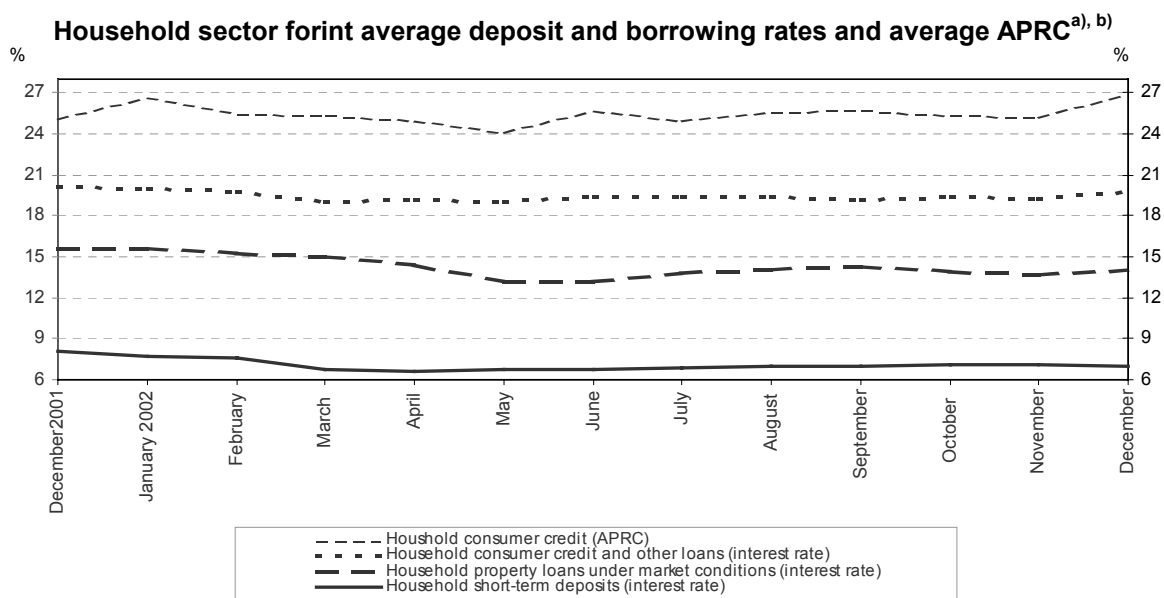


PRESS RELEASE

Non-financial corporate and household sector forint interest rates, interbank lending rates in December 2002

In December 2002, household sector average borrowing rates increased, whereas deposit rates changed only slightly. Non-financial corporations' forint borrowing and short-term forint deposit rates fell, in contrast with the average of long-term deposit rates, which rose due to a one-off factor. Average interest rates on interbank market forint transactions fell at every maturity.



a) For the period up to December 2001, the APRC for household consumer credit and other loans contain data only on household borrowing, excluding current accounts, for maturities longer than three months. For the period from January 2002, the chart shows the APRC for household consumer credit, excluding overdrafts.

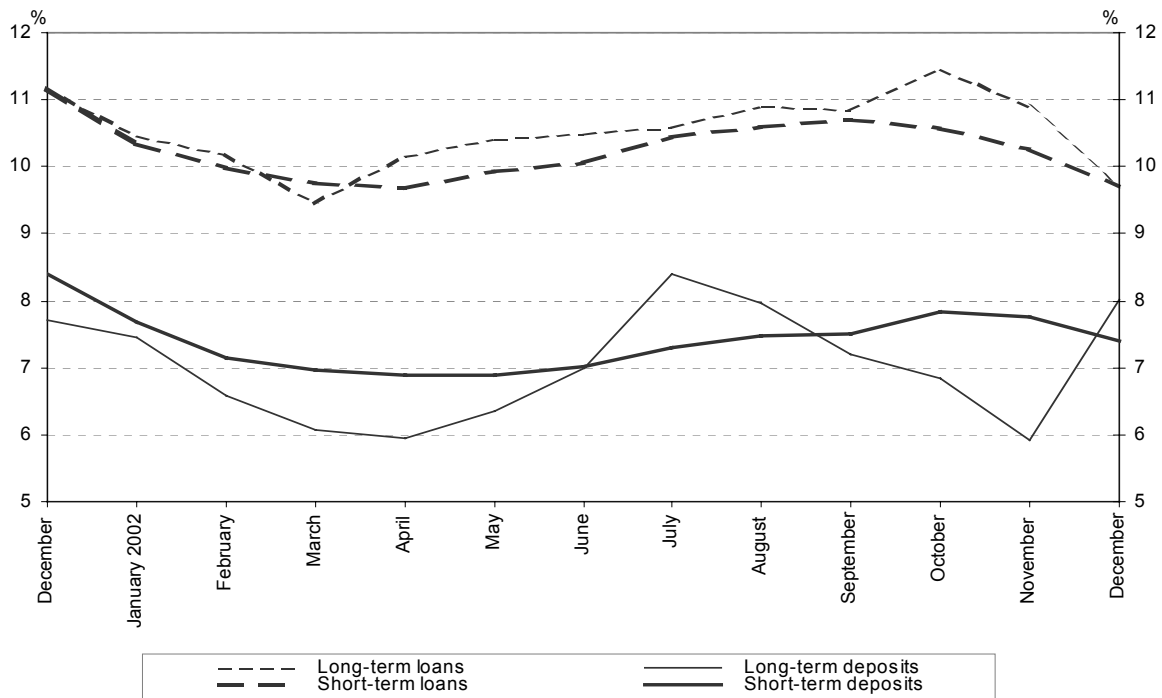
b) Property loans granted under market conditions do not include state-subsidised loans.

The average interest rate on property loans¹ provided to the household sector under market conditions rose 42 basis points, from 13.63% in November to 14.05% in December. The average rate on consumer credit and other loans rose 50 basis points, from 19.29% to 19.79%, due to a change in the composition of outstanding loans. The average rate on consumer credit² excluding overdrafts rose 73 basis points, from November's 20.22% to 20.95%, with a 176 basis point increase in the APRC, from 25.15% to 26.91%. Households' average sight deposit rate remained virtually unchanged in December, standing at 2.38%. The short-term average deposit rate fell 9 basis points, from 7.06% to 6.97%, and the long-term deposit rate rose 22 basis points, from 7.39% to 7.61%.

¹ Property loans granted under market terms do not include state-subsidised loans.

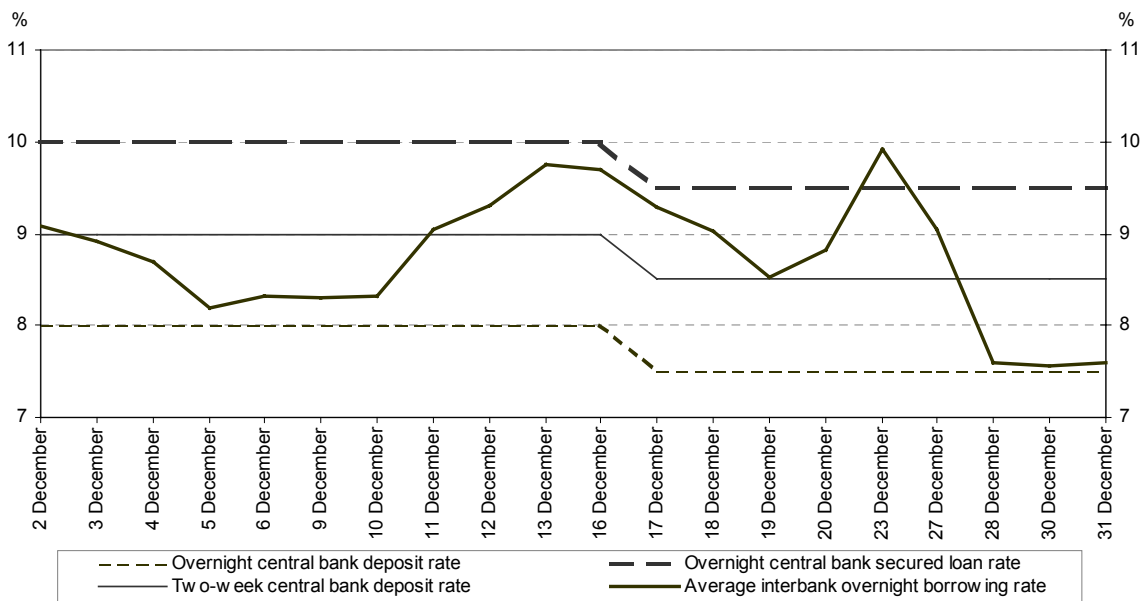
² This category includes personal loans, Lombard loans, hire purchase loans, car loans and non-housing mortgages.

Non-financial corporate sector forint average deposit and borrowing rates

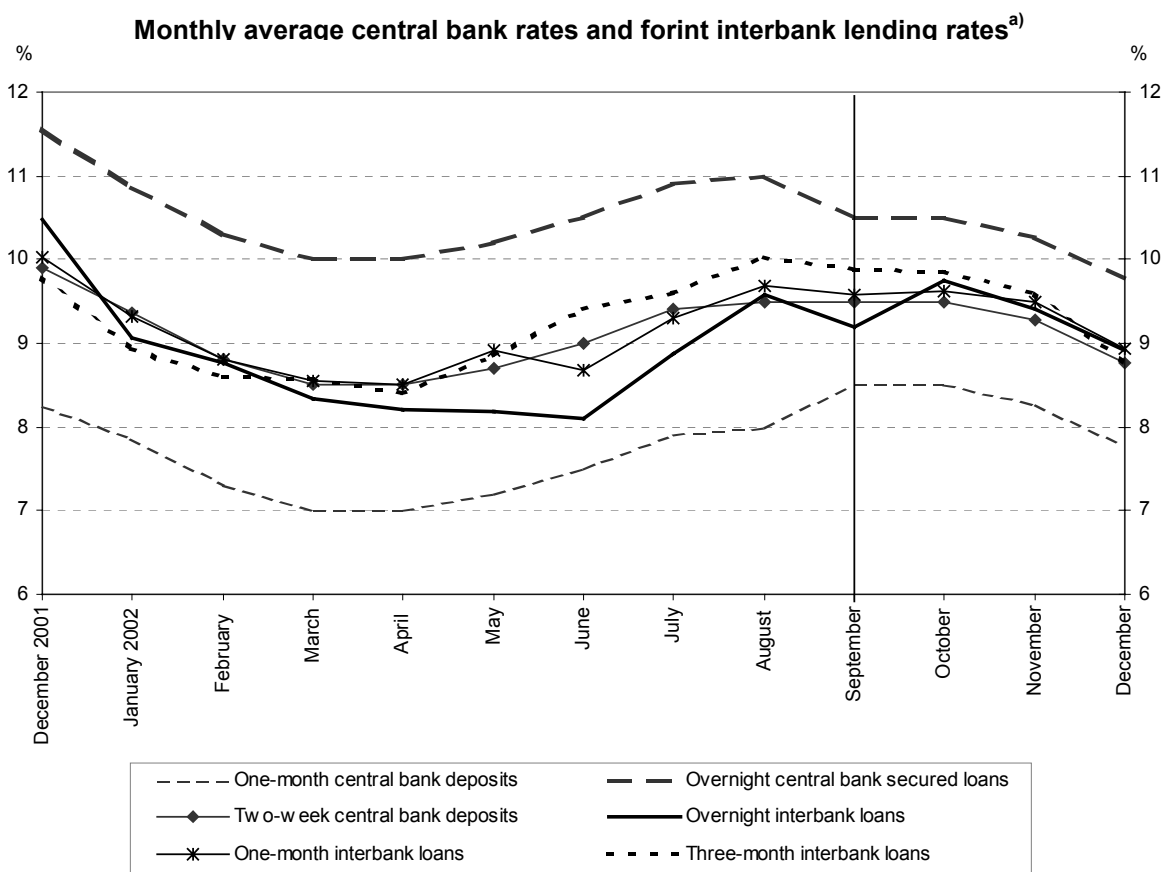


The average of interest rates on short-term loans provided to non-financial corporations under market conditions fell 58 basis points, from 10.27% to 9.69%, and that of interest rates on long-term loans fell 120 basis points, from 10.91% to 9.71%, both due to banks' interest rate decisions. The average of short-term deposit rates fell 35 basis points, from 7.76% to 7.41%, on account of a change in composition, while that of long-term deposit rates rose 209 basis points, from 5.93% to 8.02%.³ The spread between interest rates on short-term loans and deposits, which play a major role for non-financial corporations, narrowed from 2.51 percentage points to 2.28 percentage points relative to the preceding month.

Monthly average central bank rates and forint interbank lending rates^{a)}



³ The large drop in long-term deposit rates was caused by a one-off influence.



a) The interest rate corridor narrowed to 200 basis points as of 1 September 2002.

Forint interbank turnover amounted to Ft 1,894.9 billion in December, Ft 211.7 billion more than in the preceding month. The daily average of interest rate on overnight loans experienced strong fluctuations in the month. It even rose above the upper limit of the interest rate corridor before the holidays, just to fall back near to the lower limit towards the latter days of the month. The average overnight lending rate fell 49 basis points, from 9.40% to 8.91%, and the average lending rate for one month by 55 basis points, from 9.49% to 8.94%, relative to November. At three months, the average interest rate was 83 basis points lower, after falling from 9.60% to 8.77%. The interbank market was not active at the six-month maturity in the month under review.

Daily interbank rates are available on request at the Bank's Communications and Information Department.

Appendix 1

Household sector forint average borrowing and deposit rates^{a)}

Percent

	2001	2002											
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Loans													
Property loans at market conditions ^{b)}	15,62	15,66	15,27	14,97	14,39	13,20	13,19	13,79	14,03	14,23	13,89	13,63	14,05
Consumer credit and other loans ^{c)}	20,15	19,95	19,77	18,99	19,08	18,96	19,33	19,33	19,42	19,11	19,43	19,29	19,79
Short-term consumer credit and other loans	19,54	19,20	19,12	18,23	18,22	18,32	18,71	18,87	19,03	18,53	18,94	18,66	19,22
Long-term consumer credit and other loans	21,43	21,58	20,98	20,79	20,65	20,28	20,61	20,26	20,30	20,45	20,41	20,52	21,04
Deposits													
Sight deposits	2,92	2,87	2,48	2,25	2,15	2,17	2,20	2,44	2,42	2,43	2,38	2,37	2,38
Short-term deposits	8,09	7,75	7,53	6,67	6,66	6,67	6,73	6,90	6,93	7,02	7,07	7,06	6,97
Less than one month	7,94	7,62	7,51	6,57	6,61	6,63	6,68	6,84	6,88	6,93	6,96	6,96	6,88
1 month<maturity=<3 months	8,91	8,73	7,80	7,35	7,01	6,99	7,13	7,37	7,32	7,65	7,71	7,66	7,50
3month<maturity=<1 year	8,09	7,72	7,45	6,93	6,77	6,76	6,79	6,93	7,04	7,25	7,40	7,54	7,07
Long-term deposits	8,30	8,27	7,90	7,32	7,24	7,14	7,19	7,31	6,92	7,71	7,57	7,39	7,61

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. It does not include state-subsidised loans.

c) Includes overdrafts, personal loans, Lombard loans, instalment credit, car purchase loans, non-housing mortgage loans and other loans.

Amount of new business with households^{a)}

Forint billions

	2001	2002											
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Loans													
Property loans at market conditions ^{b)}	4,0	2,7	3,1	3,8	3,9	3,6	3,9	3,3	3,0	2,4	2,7	4,1	2,0
Consumer credit and other loans ^{c)}	80,6	66,4	69,5	70,5	78,6	77,0	74,2	84,7	74,8	77,0	86,4	83,1	86,3
Short-term consumer credit and other loans	54,7	45,6	45,4	49,5	50,9	52,1	50,2	56,5	52,0	53,7	57,7	54,8	59,1
Long-term consumer credit and other loans	25,8	20,8	24,1	21,0	27,7	24,9	24,0	28,2	22,8	23,3	28,7	28,4	27,2
Deposits													
Sight deposits	640,4	516,4	465,8	496,4	493,3	521,8	501,2	530,0	527,8	463,7	595,0	593,0	681,1
Short-term deposits	838,9	879,1	829,3	823,8	854,0	868,2	886,9	924,7	918,7	958,3	961,9	946,5	1.048,5
Less than one month	663,3	713,6	710,6	695,6	724,2	741,6	753,8	781,0	782,0	804,8	799,8	796,4	846,3
1 month<maturity=<3 months	114,7	97,4	75,5	87,9	80,0	71,3	85,5	96,5	92,7	107,0	106,4	96,8	135,3
3month<maturity=<1 year	60,9	68,1	43,2	40,3	49,8	55,3	47,6	47,2	44,0	46,4	55,8	53,3	66,9
Long-term deposits	20,4	10,9	7,9	6,9	7,1	7,9	9,6	7,1	7,7	4,0	5,8	7,0	11,1

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. It does not include state-subsidised loans.

c) Includes overdrafts, personal loans, Lombard loans, instalment credit, car purchase loans, non-housing mortgage loans and other loans.

Appendix 2

Changes in household sector average interest rate^{a)} and average APRC^{b)} of forint loans

Percent

	2001	2002											
	Dec	Jan	Feb	Mar	Apr	May	June	Jul	Aug	Sept	Oct	Nov	Dec
Overdrafts													
Average interest rate	18,90	18,59	18,78	17,78	17,78	17,79	18,24	18,42	18,37	17,96	18,63	18,39	18,34
Average APRC ^{f)}	23,79	22,29	23,02	21,11	21,28	21,05	..	..	..	..	..	..	..
Personal loans													
Average interest rate	22,89	23,67	23,10	22,74	23,70	22,93	23,02	22,80	22,64	22,30	21,76	22,39	21,45
Average APRC	27,81	29,20	29,89	29,01	28,61	28,98	29,16	27,14	28,66	28,76	27,25	27,96	27,11
Lombard loans													
Average interest rate	16,72	15,85	15,36	15,05	14,97	12,60	14,79	14,92	14,94	15,41	14,64	13,24	14,59
Average APRC	18,17	18,06	17,75	17,41	17,10	13,97	16,85	17,11	17,21	17,92	16,77	14,66	17,18
Instalment credit													
Average interest rate	28,97	27,28	28,36	27,63	27,01	27,88	28,17	26,29	27,18	27,19	26,73	25,18	26,25
Average APRC	35,14	35,58	35,36	34,87	33,93	34,50	35,09	34,02	36,01	35,45	35,52	32,73	35,69
Car purchase loans													
Average interest rate	17,93	18,60	18,62	17,48	16,54	16,49	16,06	15,50	15,63	15,85	15,68	15,47	15,61
Average APRC	18,54	20,30	20,79	19,26	18,70	17,97	17,80	17,46	16,92	17,13	17,16	17,03	17,20
Mortgage loans													
Average interest rate	18,59	18,64	18,50	18,20	17,34	17,18	17,14	17,00	16,94	16,95	16,70	16,61	16,37
Average APRC	20,99	22,79	22,54	22,11	22,04	22,09	22,00	21,89	21,74	21,90	21,26	20,91	20,59
Other loans													
Average interest rate ^{c)}	14,82	26,44	24,61	22,51	24,34	24,99	22,09	21,78	23,43	23,30	23,23	23,15	25,76
Average APRC ^{f)}	20,57	31,59	29,47	26,88	27,92	29,24	..	..	..	..	..	..	..
Total consumer credit loans^{d)}													
Average interest rate	21,65	21,67	20,80	20,62	20,35	19,79	20,79	20,21	20,37	20,43	20,22	20,22	20,95
Average APRC	25,09	26,66	25,46	25,28	24,91	24,15	25,71	24,91	25,61	25,72	25,38	25,15	26,91
Property loans at market conditions^{e)}													
Average interest rate	15,62	15,66	15,27	14,97	14,39	13,20	13,19	13,79	14,03	14,23	13,89	13,63	14,05
Average APRC	..	16,73	16,42	16,04	15,46	14,55	14,57	14,99	15,50	15,83	15,75	14,30	15,61

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, APRC 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.

d) Includes personal loans, Lombard loans, instalment credit, car purchase loans, non-housing mortgage loans. It does not include overdrafts.

e) Property loans granted under market terms do not include state-subsidised loans.

f) No data reporting is requested from June 2002.

Composition of household sector consumer credit and other loans – percentage of shares of loans within total new business^{a)}

Percent

	2001	2002											
	Dec	Jan	Feb	Mar	Apr	May	June	Jul	Aug	Sept	Oct	Nov	Dec
Overdraft	54,15	66,97	66,42	64,18	64,23	64,79	63,53	61,05	65,08	66,32	69,44	67,10	63,91
Personal loans	6,77	3,59	4,38	5,83	6,54	5,45	5,45	6,21	5,47	5,62	4,55	4,84	6,07
Lombard loans	1,85	1,45	1,63	1,53	1,62	2,22	1,29	1,02	1,02	1,08	1,37	1,66	2,41
Instalment credit	9,73	7,53	4,36	4,58	4,66	4,85	5,94	6,00	5,62	5,29	5,43	7,42	9,39
Car purchase loans	5,63	4,73	3,42	3,50	4,40	6,19	4,56	5,33	4,70	4,25	3,85	4,12	3,64
Mortgage loans	16,20	8,71	11,61	10,30	9,12	7,65	7,35	6,89	6,64	6,17	4,90	4,47	3,93
Other loans	5,67	7,02	8,17	10,07	9,42	8,84	11,88	13,49	11,47	11,26	10,45	10,39	10,65
Total	100,00	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) For the period of June to December 2001, the table only shows household consumer credit and other loans for terms longer than three months in a breakdown by credit type.

Appendix 3

Non-financial corporate sector forint average^{a)} borrowing and deposit rates

Percent

	2001	2002											
	Dec	Jan	Feb	Mar	Apr	May	June	Jul	Aug	Sept	Oct	Nov	Dec
Loans													
Short-term loans ^{b)}	11,18	10,35	9,98	9,76	9,68	9,93	10,06	10,45	10,60	10,69	10,57	10,27	9,69
Long-term loans	11,15	10,48	10,19	9,45	10,16	10,41	10,48	10,58	10,90	10,86	11,46	10,91	9,71
Time deposits													
Short-term deposits	8,40	7,69	7,14	6,96	6,90	6,89	7,01	7,30	7,47	7,50	7,84	7,76	7,41
Less than one month	8,40	7,67	7,14	6,96	6,88	6,85	6,99	7,29	7,45	7,48	7,84	7,77	7,39
1 month<maturity=<1 year	8,38	7,88	7,17	7,00	7,13	7,22	7,30	7,42	7,60	7,76	7,83	7,62	7,62
Long-term deposits	7,70	7,45	6,59	6,08	5,95	6,35	6,99	8,41	7,96	7,19	6,84	5,93	8,02
Settlement account deposits													
Minimum	0,50	0,50	0,10	0,10	0,08	0,08	0,08	0,08	0,08	0,08	0,08	0,08	0,08
Maximum	12,00	11,00	10,75	10,75	10,75	10,75	10,75	11,63	9,99	9,64	9,70	9,68	9,68

a) 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).

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

Amount of new business with non-financial corporates^{a)}

Forint billions

	2001	2002											
	Dec	Jan	Feb	Mar	Apr	May	June	Jul	Aug	Sept	Oct	Nov	Dec
Loans^{c)}													
Short-term loans ^{b)}	518,4	130,9	113,5	142,5	161,0	147,9	150,9	169,8	123,8	119,3	167,4	144,8	188,2
Long-term loans	357,3	57,8	32,3	43,5	51,7	45,8	54,0	45,5	34,7	45,8	29,2	36,1	96,2
Time deposits													
Short-term deposits	932,2	1.020,5	1.011,3	1.085,7	937,5	1.093,5	1.139,3	1.291,3	1.252,6	1.265,8	1.358,4	1.200,3	1.377,7
Less than one month	836,8	917,7	950,4	944,5	851,0	973,0	1.076,6	1.189,4	1.149,4	1.186,8	1.218,7	1.138,8	1.256,9
1 month<maturity=<1 year	95,4	102,8	60,9	141,2	86,5	120,5	62,6	101,8	103,2	79,0	139,7	61,5	120,9
Long-term deposits	1,7	1,5	1,2	0,9	0,8	0,6	0,8	1,9	1,0	1,4	1,4	0,5	4,9

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

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

c) Since January 2002 data do not include the amount of repriced contracts.

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

