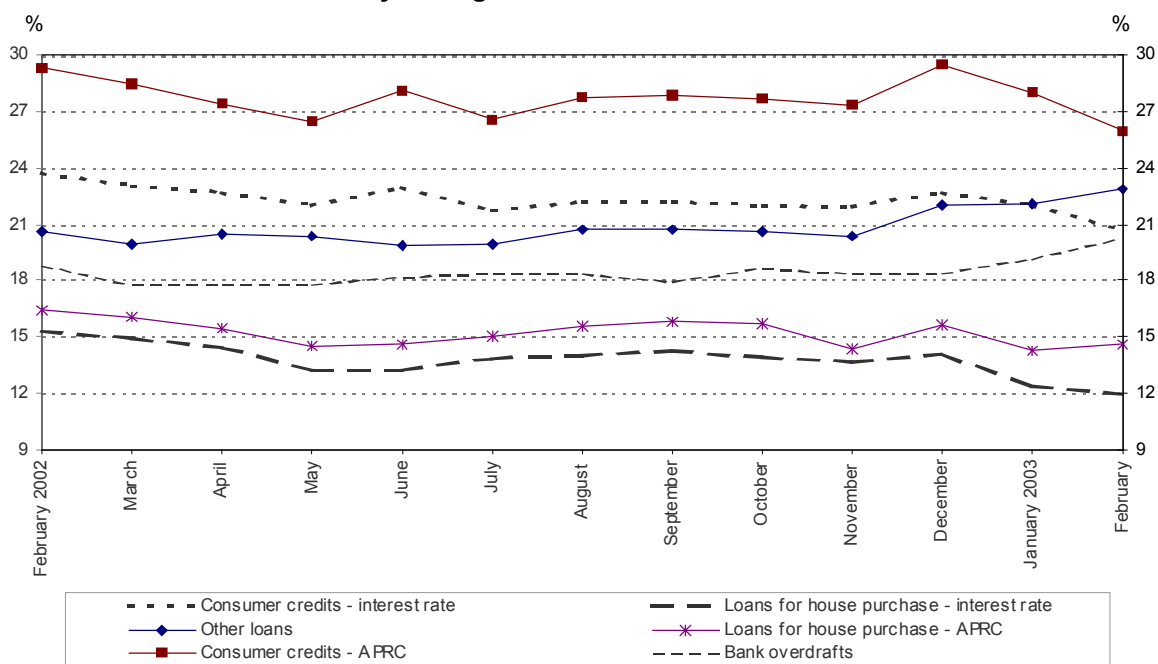


PRESS RELEASE

Household and non-financial corporate sector forint interest rates, interbank lending rates: February 2003

In February 2003, developments in market interest rates were shaped mainly by the effects of policy measures taken by the MNB in January.¹ Closely related to these events, interest rates on virtually all lending and borrowing facilities fell.

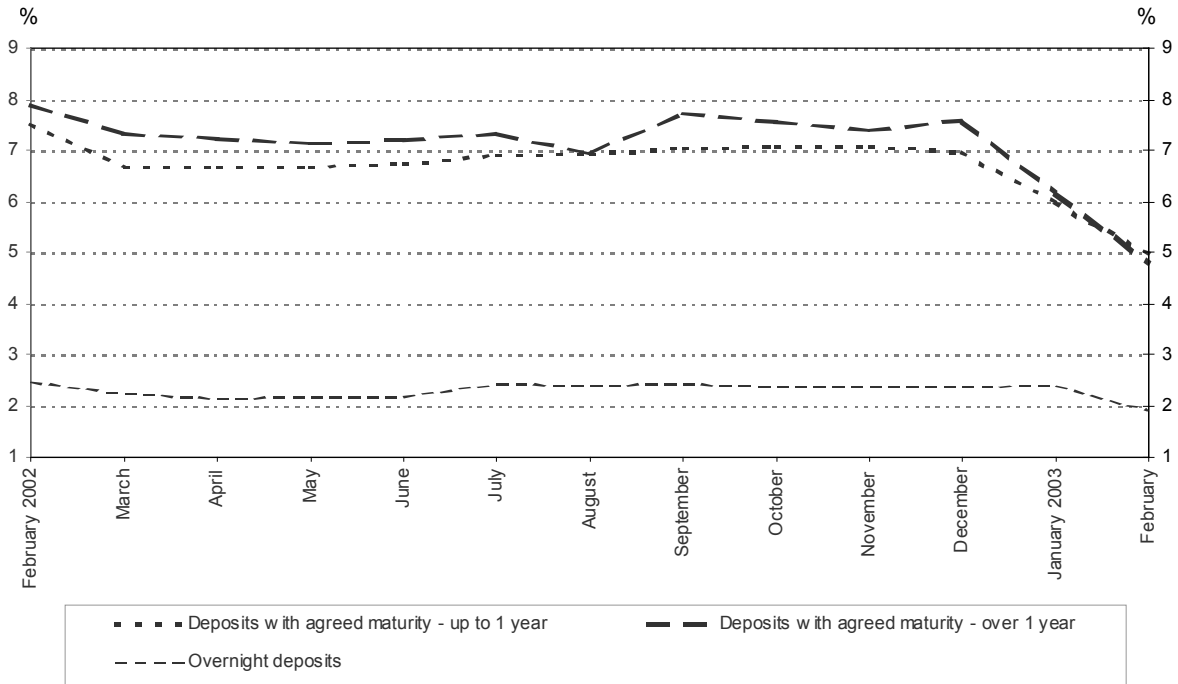
Chart 1 Monthly average interest rates on loans to households



The interest rate on overdrafts of the household sector rose 106 basis points, from 19.19% in January to 20.25%. The average interest rate on loans for house purchase fell 38 basis points, from 12.34% to 11.96%. The APRC rose 31 basis points, from 14.24% to 14.55%. The average interest rate on consumer credit fell 129 basis points, from 22.03% to 20.74%, the APRC falling 211 basis points, from 28.04% to 25.93%. The interest rate on other loans rose 78 basis points, from 22.06% in January to 22.84% in February.

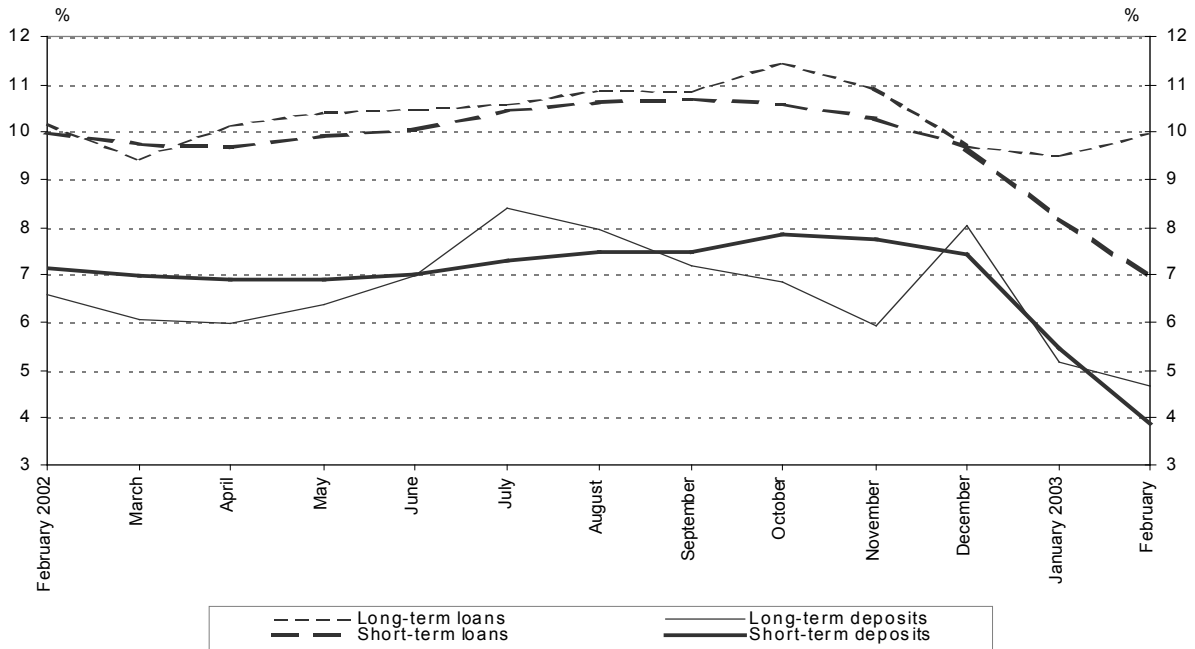
¹ On 16 January 2003, the Bank lowered the interest rate on its two-week deposit facility by 100 basis points, from 8.50% to 7.50% and, on 17 January, by another 100 basis points, to 6.50%. Simultaneously with lowering the interest rate, the Bank increased the width of the interest rate corridor from ± 100 basis points to ± 300 basis points, i.e. to 3.50%–9.50%.

Chart 2 Monthly average interest rates on household deposits



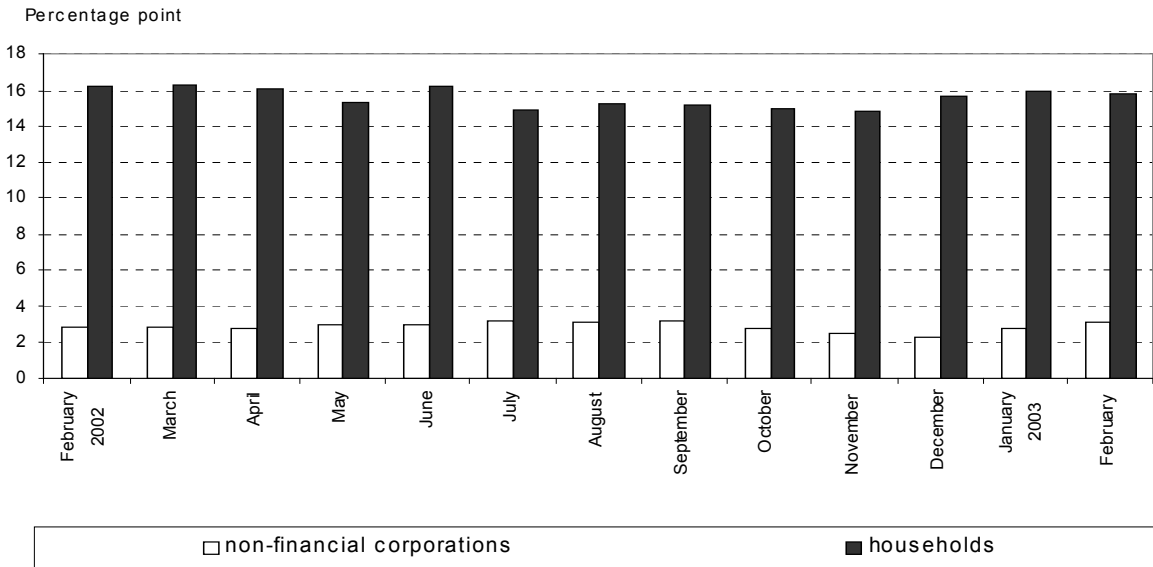
The average of interest rates on households' overnight deposits fell 50 basis points, from 2.40% to 1.90%. The average of interest rates on deposits with agreed maturities of up to one year fell 102 basis points, from 5.99% to 4.97%, that of interest rates on deposits with agreed maturity of over one year falling 138 basis points, form 6.18% to 4.80%.

Chart 3 Borrowing and deposit rates of non-financial corporations



The average interest rate on short-term loans provided to non-financial corporations fell 122 basis points, from 8.20% to 6.98%, while that of interest rates on long-term loans rose 48 basis points, from 9.50% to 9.98%. The average of short-term deposit rates fell 159 basis points, from 5.47% to 3.88%, and that of long-term deposit rates fell 48 basis points, from 5.14% to 4.66%.

Chart 4 Differential between non-financial corporate and household sector borrowing and deposit rates



The differential between average interest rates on consumer credit and deposits with agreed maturity of up to one year amounted to 15.77 percentage points in February. In the case of short maturities which account for a significant share of non-financial corporate sector loans and deposits, the differential between average interest rates increased from 2.73 percentage points in January to 3.10 percentage points in February.

Chart 5 Average official and forint interbank rates in January 2003

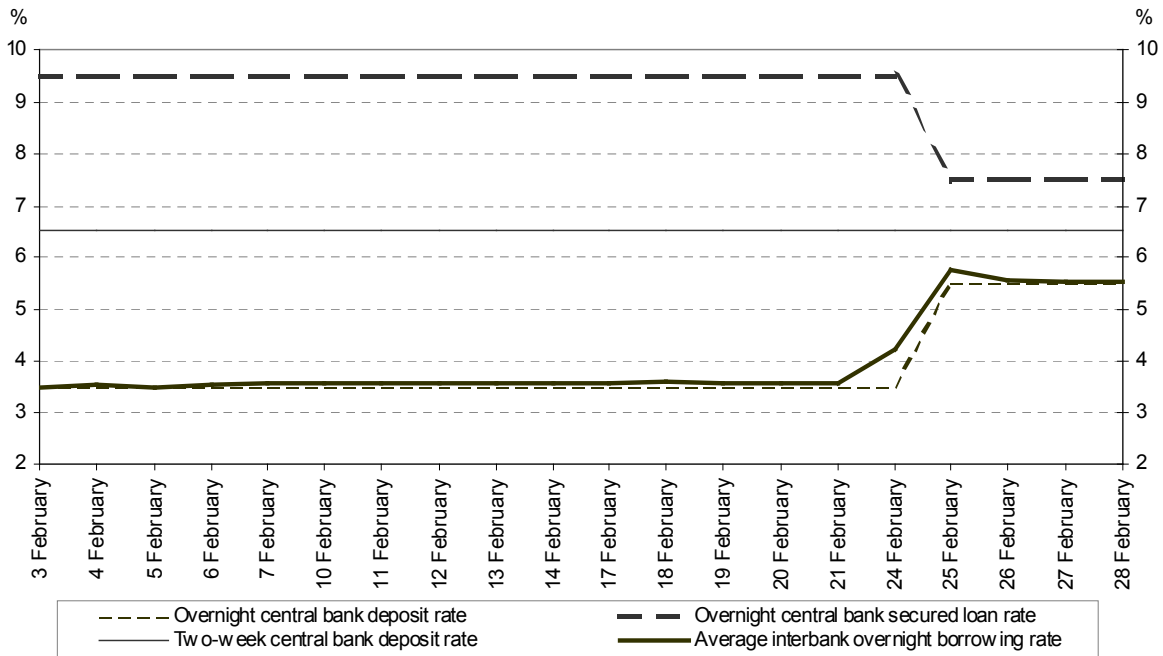
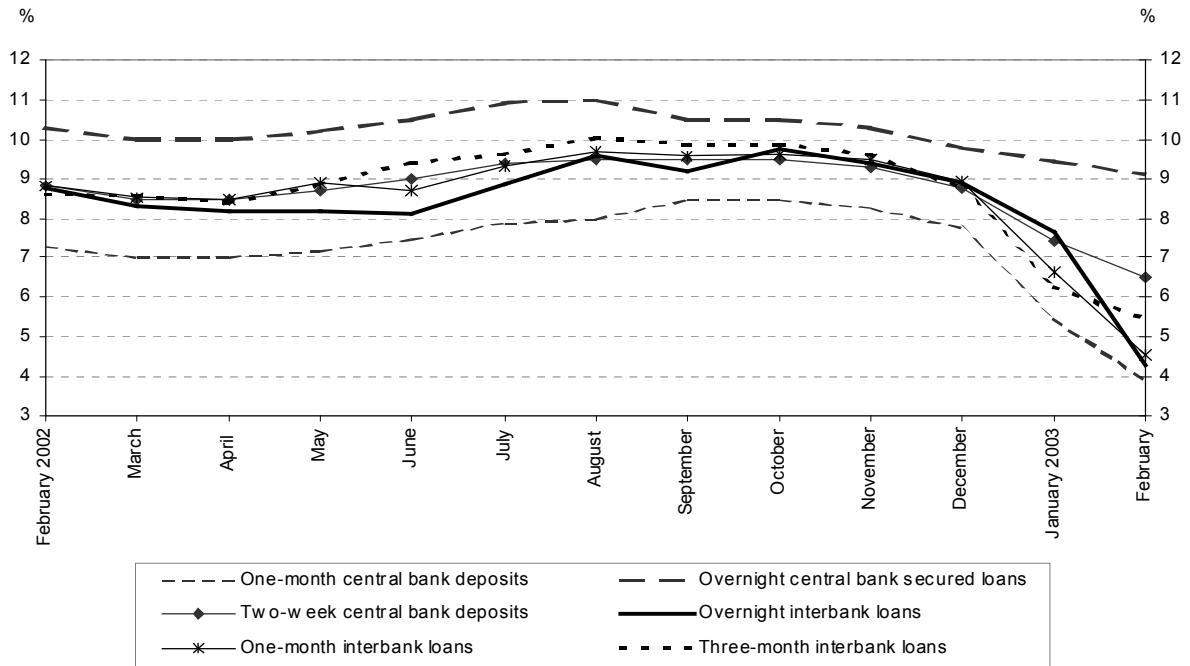


Chart 6 Average official and forint interbank rates



Effective from 25 February, the MNB reduced the width of the interest rate corridor to ± 100 basis points. Forint interbank turnover amounted to Ft 535.1 billion in February, Ft 645.6 billion less than in the preceding month. The daily average of interest rates on overnight loans fluctuated near the bottom of the interest rate corridor throughout the entire month. The average overnight lending rate, weighted by turnover, fell 332 basis points, from 7.63% to 4.31%. The one-month average lending rate fell 209 basis points, from 6.64% to 4.55%. At three months, the average interest rate was 78 basis points lower, after falling from 6.27% to 5.49%.

Daily interbank rates are available on request at the Bank's Communications and Information Department. In addition, details of interest rates are available on the MNB's website at:

NFCs: http://www.english.mnb.hu/dokumentumok/en0901_vallalkozoi.xls

Households: http://www.english.mnb.hu/dokumentumok/en0902_lakossagi.xls

Interbank: http://www.english.mnb.hu/dokumentumok/en0903_bankkozi.xls

Notes to the press release charts

Chart 1

- a) In the case of bank overdrafts, interest rates weighted by lending are published for 2002 and those weighted by end-of-month stocks for 2003.
- b) Consumer credit includes personal, hire purchase and car loans provided in 2002. For 2003, loans classified as consumer credit by data providers are published.
- c) Loans for house purchase include loans provided for housing purposes in 2003. The weighted average interest rate on loans for house purchase include data on loans provided under market conditions and subsidised loans. By contrast, data for 2002 only include loans provided under market conditions. The interest rate on state-subsidised loans include the amount of state subsidy as well.
- d) Other loans include, among others, sole proprietors' entrepreneurial loans as well as non-consumer and non-housing loans. 2002 data on other loans include Lombard and non-housing mortgages as well as facilities published under other loans.
- e) In 2002, the Bank only published provisions of consumer credit, loans for house purchase and, in the case of other loans, new lending. From January 2003, data on new contracts concluded in a given month are published.

Chart 2

- a) In the case of overnight deposits, data on interest rates weighted by lending are published for 2002. For 2003, data on interest rates weighted by end-of-month stocks are published. From January 2003, overnight deposits also include deposits fixed for one day.
- b) Deposits with an agreed maturity are those fixed for periods of more than one day. Average interest rates weighted by new deposits are published for 2002 and those weighted by the total amount of new deposit contracts for 2003.

Chart 3

- a) From January 2003, short and long-term interest rate fixings are used instead of a breakdown of borrowings into short and long-term loans.
- b) In 2002, the Bank published new lending and deposits. From January 2003, data on new contracts concluded with non-financial corporations are published.

Chart 4

- a) From 2003, data on variable rate loans or loans with interest rates fixed for maximum one year are available, rather than those on short-term loans, in the case of lending to non-financial corporations.