MACROECONOMIC AND FINANCIAL MARKET DEVELOPMENTS

BACKGROUND MATERIAL

TO THE ABRIDGED MINUTES

OF THE MONETARY COUNCIL MEETING

OF 25 MARCH 2025

MARCH

2025

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The background material 'Macroeconomic and financial market developments' is based on information available until 19 March 2025.

Article 3 (1) of the MNB Act (Act CXXXIX of 2013 on the Magyar Nemzeti Bank) defines achieving and maintaining price stability as the primary objective of the Magyar Nemzeti Bank. The MNB's supreme decision-making body is the Monetary Council. The Council convenes as required by circumstances, but at least twice a month, according to a pre-announced schedule. At the second scheduled meeting each month, members consider issues relevant to decisions on central bank interest rates. Abridged minutes of the Council's rate-setting meetings are released regularly, before the next policy meeting takes place. As a summary of the analyses prepared by staff for the Monetary Council, the background material presents economic and financial market developments, as well as new information which has become available since the previous meeting.

The abridged minutes and the background materials to the minutes are available on the MNB's website at:
https://www.mnb.hu/en/monetary-policy/the-monetary-council/minutes

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1. Macroeconomic developments

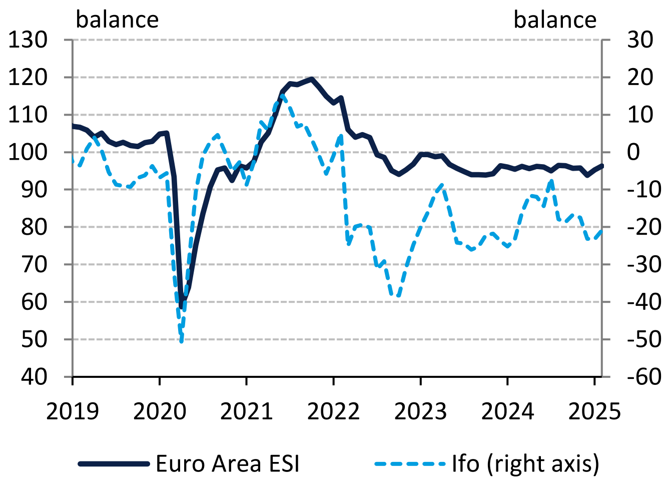
1.1. Global macroeconomic environment

In 2024 Q4, GDP grew by 1.4 percent year on year in the European Union, while it increased by 2.5 percent in the United States and 5.4 percent in China. Industrial production in China and the United States rose, while in the euro area it remained unchanged. Retail sales grew in all three regions year on year. Annual inflation in the United States stood at 2.8 percent in February, 0.2 percentage points lower compared to the previous month. In China, consumer prices dropped by 0.7 percent on an annual basis. Inflation in the euro area was 2.3 percent, while core inflation fell to 2.6 percent.

Year-on-year GDP growth in 2024 Q4 was 1.4 percent in the European Union, 2.5 percent in the United States and 5.4 percent in China. GDP in 2024 Q4 grew in the euro area by 1.2 percent on an annual basis. Based on data currently available for 26 countries, Ireland (+9.2 percent) recorded the highest year-on-year increase among the EU Member States. Three Member States recorded a decline on an annual basis: Gross domestic product fell by 0.2 percent in Germany, 0.4 percent in Latvia and 0.9 percent in Austria. Among CEE countries, Poland's economy saw the highest growth rate (+3.7 percent).

Industrial production in China rose by 5.9 percent in January and February, while in the United States it increased by 1.4 percent in February 2025 on an annual basis. Industrial production in the euro area remained unchanged in January 2025 on an annual basis. Retail sales rose by 3.1 percent in the USA in February and by 1.5 percent in the euro area in January. China saw 4.0 percent growth in the first two months of 2025.

Chart 1 Business climate indices in Hungary's export markets



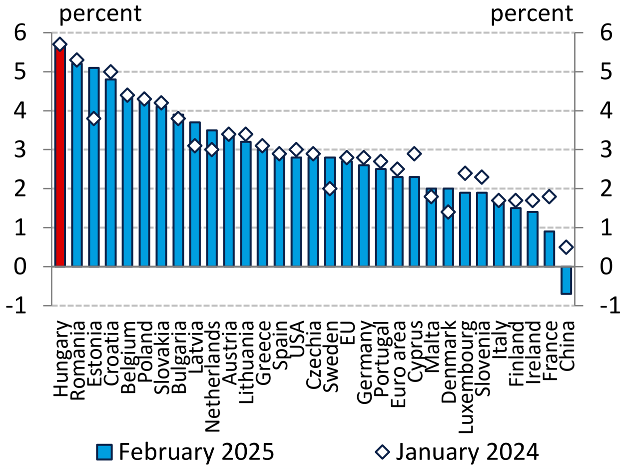
Source: European Commission, Ifo

In February 2025, the Purchasing Managers' Index for manufacturing improved in the United States, the euro area and China. The index in both Chine and the USA exceeded the expansion threshold of 50 points, with it fell short in the euro area. The Economic Sentiment Indicator (ESI) of the euro area improved by 1.0 points in February 2025 (Chart 1).

The unemployment rate in the United States remains low. In the United States, the unemployment rate fell to 4.0 percent in January from 4.1 percent in December. Non-farm payrolls increased by 143,000, well below analysts' expectations of around 170,000. The unemployment rate in the euro area was 6.3 percent in December, up slightly from 6.2 percent in November.

Annual inflation in the United States stood at 2.8 percent in February, down 0.2 percentage points compared with the previous month. **In China, consumer prices dropped by 0.7 percent on an annual basis. Inflation in the euro area was 2.3 percent, while core inflation fell to 2.6 percent year on year.** In February, among CEE countries, inflation

Chart 2 Developments in the international inflation environment



Note: HICP inflation rates in the Europen Union countries.
Source: Eurostat, Trading Economics, national statistical offices

remained steady in Poland, while it fell in Czechia, Romania and Slovakia. Based on Eurostat data, inflation in February stood at 5.2 percent in Romania, 4.3 percent in Poland, 4.1 percent in Slovakia and 2.8 percent in Czechia (Chart 2).

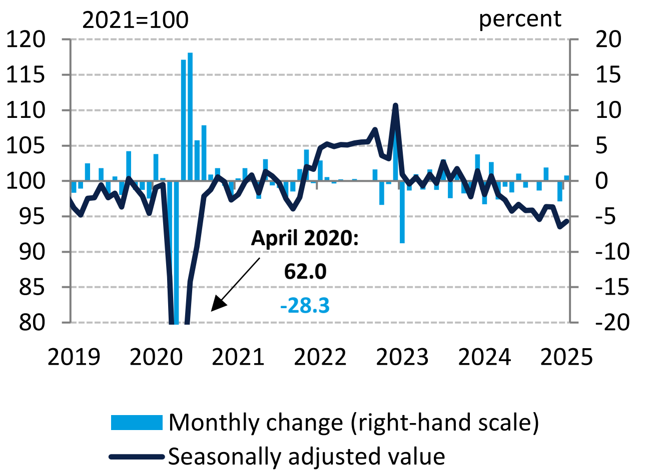
1.2. Real economic trends in Hungary

Based on the detailed HCSO data release, Hungarian GDP grew by 0.4 percent year on year in 2024 Q4. In January 2025, retail sales rose by 4.7 percent, while industrial production dropped by 3.9 percent and construction output fell by 9.6 percent. In January 2025, external trade in goods showed a surplus of EUR 903 million. In the period from November 2024 to January 2025, the average number of employees grew by 11,000 year on year. The unemployment rate stood at 4.4 percent in January.

1.2.1. Economic growth

Based on the detailed data report from the HCSO, Hungarian GDP grew by 0.4 percent year on year in 2024 Q4. Based on balanced data adjusted for seasonal and calendar effects used for international comparison, domestic economy rose by 0.1 percent year on year, representing an increase of 0.5 percent compared to the previous quarter. Based on raw data, the Hungarian GDP expanded by 0.5 percent overall in 2024 and by 0.6 percent seasonally and calendar adjusted data. The combined gross value added in services increased by 2.1 percent. Among consumption items, household consumption expanded by 5.4 percent in Q4 year on year, while gross fixed capital formation fell by 10.8 percent, slowing year-on-year economic growth by 2.8 percentage points. Collective final consumption fell by 3.4 percent on an annual basis. Change in inventories made a substantially positive contribution of 1.9 percentage points to year-on-year increase, while net exports slowed growth by 0.5 percentage points.

Chart 3 Developments in industrial production



Note: From January 2024, seasonally adjusted value is based on the monthly averages of 2021.
Source: MNB calculation based on HCSO data

In January, the volume of industrial production fell by 3.9 percent year on year. Industrial production was 0.8 percent higher than in December, according to seasonally and working-day adjusted data (Chart 3). The output of the automotive industry, representing the largest share, contracted by 3.0 percent on an annual basis. The manufacture of electrical equipment showed the sharpest decline, down 29.5 percent year on year. The manufacture of food products, beverages and tobacco products decreased by 0.6 percent. The output of industrial export grew by 5.7 percent, while the output of domestic industrial sales dropped by 3.9 percent compared to the same month the previous year. The total volume of new orders in the observed manufacturing sectors fell by 2.6 percent on an annual basis. New domestic orders fell by 4.4 percent, while new export orders declined by 2.4 percent. At the end of January, total order books were down 13.6 percent year on year.

In January 2025, the volume of construction output fell by 9.6 percent year on year, as shown by raw data. Among the main construction groups, the output of construction of buildings decreased by 8.9 percent, while that of other construction declined by 10.8 percent. Month-on-month, construction output has been rising since October 2024, up 1.6 percent in January. The volume of new contracts was 15.8

percent lower than a year earlier. In particular, the number of new contracts related to the construction of buildings fell by 19.7 percent, while contracts for other construction work rose by 8.9 percent. The volume of contracts in the construction sector at the end of January was down 0.2 percent year on year. In particular, contracts for the construction of buildings were 14.7 percent lower, while contracts for other construction 14.2 percent higher than in January 2024.

The volume of retail sales in January 2025 rose by 4.7 percent year on year. Retail trade excluding fuel sales grew by 5.2 percent on a calendar-adjusted basis. The annual volume of sales at filling stations increased by 1.9 percent in January. On a monthly basis, sales were up 2.2 percent. Sales grew in all product groups in January, with food retail sales up 4.7 percent year on year. Sales for pharmaceutical and medical goods, cosmetic and toilet articles (+9.7 percent), furniture, appliances and hardware (+7.8 percent), miscellaneous manufactured articles (+6.7 percent), textiles, clothing and footwear (+4.7 percent), online (+3.9 percent) and books and computers (+0.3 percent) were all up.

In January 2025, external trade in goods showed a surplus of EUR 903 million. The balance improved by EUR 445 million compared to the previous month and by EUR 343 million compared to the equivalent period of the previous year. The balance adjusted for VAT residents indicated a surplus of EUR 237 million, up EUR 272 million than a year earlier. The 12-month rolling balance of external trade in goods rose slightly to a surplus of EUR 12.0 billion in January. The rolling balance adjusted for VAT residents also increased to EUR 3.9 billion. In January, the value of exports in euro increased by 3.8 percent and that of imports by 0.8 percent year on year.

Based on the National Tax and Customs Administration's data adjusted for seasonal effects, inflation-adjusted turnover of online cash registers was 3.1 percent higher in January year on year. In February, both freight traffic (+8.1 percent) and road passenger traffic (+1.2 percent) expanded. Electricity load increased by 8.0 percent. Cinema attendance increased by 12.9 percent and catering turnover by 4.6 percent. The number of Google searches for the term 'unemployment benefits' increased in February 2025 month-on-month.

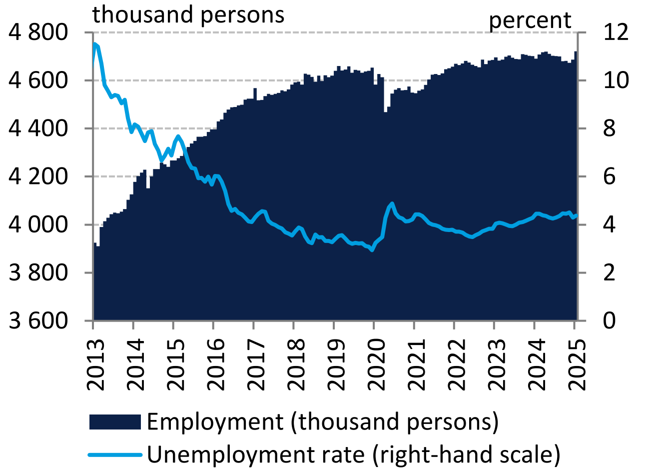
1.2.2. Employment

According to the Labour Force Survey, in January 2025, the average number of employees aged 15-74 was 4,684,000, which, adjusted seasonally, was 34,000 higher than in December. In the period between November 2024 and January 2025, the average number of persons employed was 4,697,000, which represents an increase of 11,000 year on year. In the November-January period, the average number of persons employed in the primary labour market increased by 3,000, while the averages for both persons working abroad and in fostered employment rose by 4,000.

The number of unemployed persons stood at 214,000 in January, which is not a considerable change compared to the same period of the previous year. The overall the unemployment rate was 4.4 percent (Chart 4). Based on seasonally adjusted data, the number of unemployed persons decreased by 3,000 in January compared to December. According to raw data from the National Employment Service (NES), there were 230,000 registered jobseekers in Hungary in January 2025 and 232,000 in February 2025. This represents a year-on-year decline of 3,000 for both. Based on seasonally adjusted data, the number of registered jobseekers in January 2025 rose by 9,000 compared to December.

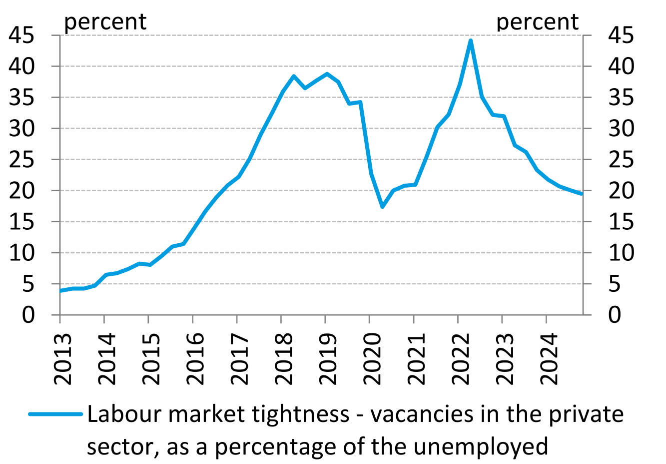
The labour market has become less tight in recent months (Chart 5). There were 40,700 vacancies in the private sector in 2024 Q4, 16.9 percent fewer year on year and, seasonally adjusted, 5.7 percent fewer compared with the previous quarter. Labour demand in both manufacturing and market services fell compared with the previous quarter. There were 12,000 vacancies in manufacturing and 25,000 in the market services sector in 2024 Q4. In the public sector, vacancies increased in public administration and health, and decreased in education compared to the previous quarter, with no noticeable overall change compared to Q3.

Chart 4 Number of persons employed and the unemployment rate



Note: Employment based on seasonally adjusted data.
Source: HCSO

Chart 5 Labour market tightness indicator



Note: Seasonally adjusted quarterly data.
Source: HCSO, MNB calculation

1.3. Inflation and wages

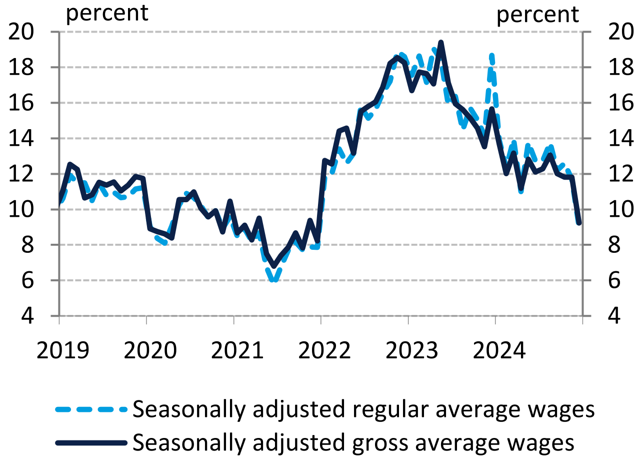
In February 2025, consumer prices were up 5.6 percent year on year. Core inflation rose by 0.4 percentage points to 6.2 percent. Core inflation excluding indirect tax effects rose to 6.0 percent. The incoming figure was above the forecast range of the December Inflation Report and higher than the consensus of analysts' expectations. In December 2024, average wages (excluding bonuses) rose by 10.6 percent in the national economy and by 9.5 percent in the competitive sector in annual terms.

1.3.1. Wages

In December 2024, gross average wages in the national economy increased by 11 percent and in the private sector by 9.5 percent compared to the same period last year. Average wages (excluding bonuses) rose by 10.6 percent in the national economy and by 9.4 percent in the private sector in annual terms. Regular earnings increased by 2.4 percent on a monthly basis. Premium payments were 17.5 percent of regular earnings, slightly above last year's level and higher than those in previous years.

Based on seasonally adjusted data, the annual dynamics of both gross average wages and regular average wages decelerated in the private sector (Chart 6). In the private sector, wage dynamics in manufacturing slightly exceeded the dynamics observed in market services on the basis of raw data. In manufacturing, wages were 9.5 percent higher in December year on year. With regard to market services, the Hungarian Central Statistical Office registered an increase of 9.2 percent. As for the sectors of the national economy, wages in construction grew by 8.7 percent, those in trade by 8.3 percent and those in tourism by 7.1 percent year on year.

Chart 6 Dynamics of average earnings in the private sector



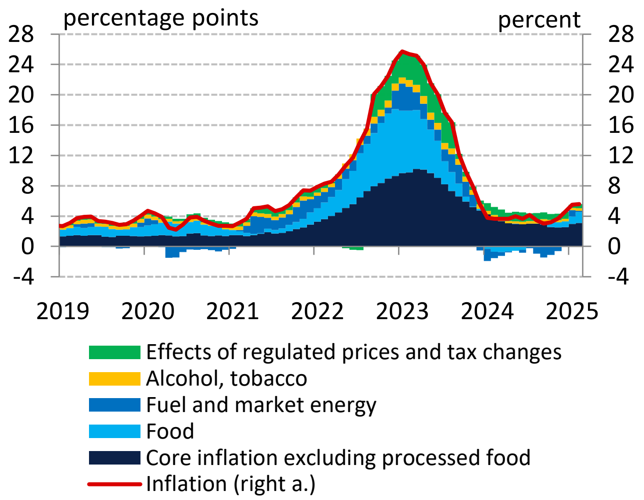
Source: MNB calculation based on HCSO data

1.3.2. Inflation developments

In February 2025, consumer prices were up 5.6 percent year on year (Chart 7)**.** Core inflation rose by 0.4 percentage points to 6.2 percent. Core inflation excluding indirect tax effects rose to 6.0 percent. On a monthly basis, the price of the overall consumer basket and the price of the basket based on core inflation rose by 0.8 percent and 0.6 percent, respectively. Compared with January, the annual rate of price increases accelerated by 0.1 percentage points.

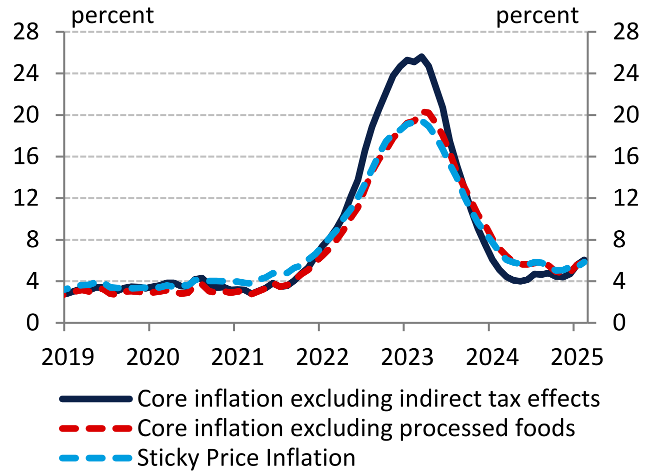
Most product categories contributed to the rise in the annualised consumer price index and core inflation, which, in the case of the CPI, was partly offset by the disinflation of fuels. The annual inflation rate for industrial goods rose to 2.4 percent and the annual average price index for market services to 9.9 percent. Unprocessed food prices and processed food prices increased by 7.0 percent and 6.6 percent, respectively, year on year. Fuel prices fell by 0.9 percent month-on-month, which was consistent with the moderation in global oil prices and the strengthening of the forint exchange rate. Fuel prices increased by 3.8 percent on an annual basis. The annual price index for goods and services with regulated prices was 3.4 percent. February

Chart 7 Decomposition of inflation



Source: MNB calculation based on HCSO data

Chart 8 Measures of underlying inflation indicators



Source: MNB calculation based on HCSO data

repricing rates were also above the historical average for industrial goods, market services and food.

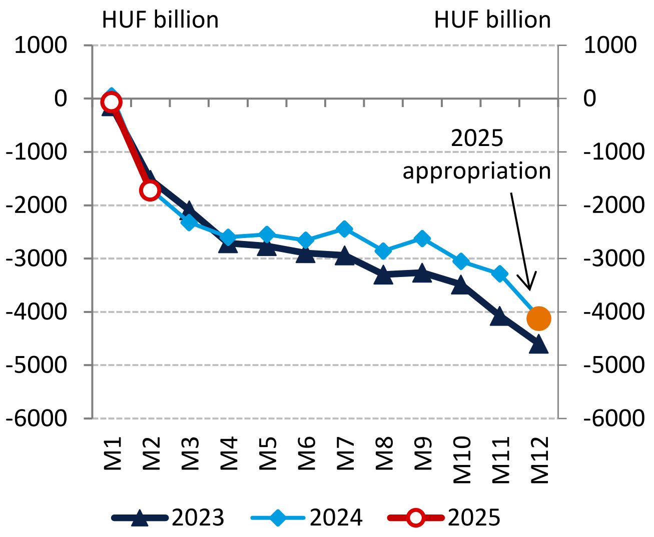
The incoming figure was above the forecast range of the December Inflation Report and also higher than the consensus of analysts' expectations. The analysts' median was 5.3 percent, with expectations ranging from 5.1 to 5.7 percent.

Our indicators capturing more persistent inflation trends increased on an annual basis. Both the inflation of sticky-price goods and core inflation excluding processed food were around 5.8 percent (Chart 8).

1.4. Fiscal and external balance trends

Deficit in the central sub-sector of the government budget was HUF 1,655 billion in February, meaning that the deficit for the first two months of the year rose to HUF 1,723 billion, representing 42 percent of the HUF 4,123 billion appropriation. In February, revenues of the central sub-sector increased by HUF 253 billion on an annual basis. Budgetary expenditure in the second month of the year were HUF 150 billion higher than in February in the previous year. In January 2025, the current account showed a surplus of EUR 345 million, while net lending stood at EUR 363 million.

Chart 9 The cumulative cash balance of the central government budget from the beginning of the year



Source: 2025 Budget Act, Hungarian State Treasury

1.4.1. Fiscal trends

The February deficit in the **central sub-sector of the government budget** was HUF 1,655 billion, meaning that deficit for the first two months of the year rose to 42 percent of the HUF 4,123 billion appropriation, amounting to HUF 1,723 billion. High interest expenditure and the payment of 13th month pensions also contributed to the February deficit. The monthly balance for February was HUF 100 billion higher than the deficit in the second month of 2024, mainly due to a rise in revenues and labour taxes and contributions, combined with lower expenditure on public assets this year (Chart 9).

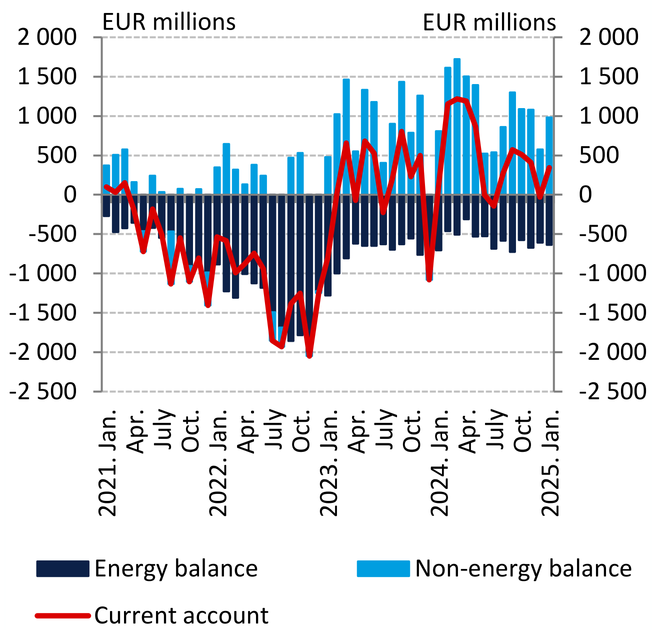
In February, **revenues of the central sub-sector** increased by HUF 253 billion on an annual basis, of which a 15 percent increase in revenues from taxes and contributions represented HUF 235 billion. Payments by economic organisations increased by 3 percent (HUF 7 billion), while taxes on consumption rose by 34 percent (HUF 125 billion) and taxes and contributions on labour by around 10 percent (HUF 102 billion) year on year. Gross VAT revenues grew by almost 8 percent, while net VAT revenues saw an outstanding increase of 56 percent (HUF 115 billion), attributed to the normalisation of the previous high level of refunds.

Budgetary expenditure in the second month of the year were HUF 150 billion higher than in February of the previous year. This increase is mainly attributed to higher spending on medical and preventive care and this year's higher interest payments on inflation-linked government securities, offset by a decline in spending on public assets.

1.4.2. External balance developments

In January 2025, the current account showed a surplus of EUR 345 million, while net lending stood at EUR 363 million. The January current account balance was EUR 376 million higher than the previous month's balance and EUR 244 million higher than a year earlier (Chart 10). The year-on-year improvement was mainly driven by an increase in the trade balance, mostly related to trade in goods. The value of exports of goods increased by 3 percent year-on-year amidst a 6 percent growth in industrial export sales, while imports of goods contracted by 1 percent. Both the deficit of the income balance and of the transfer balance rose slightly year on year.

Chart 10 Developments in current account and energy balance



Note: The last monthly value of the energy balance is an estimate.
Source: MNB, HCSO

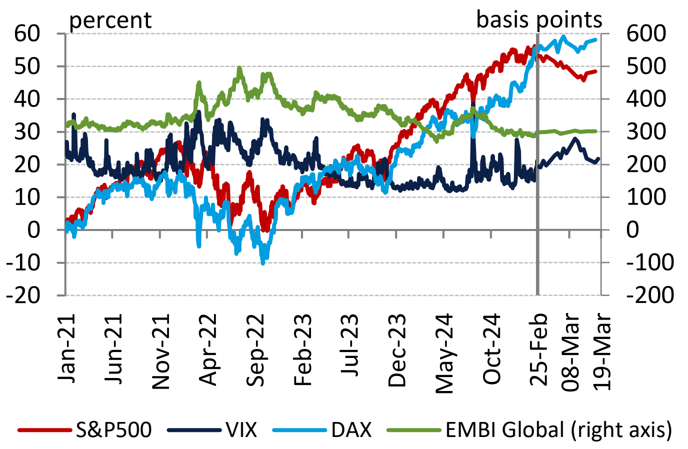
Financial account data show that, in parallel with the rise in net foreign direct investment (FDI), net external debt also increased in January. The net inflow of around EUR 0.4 billion of direct investment was mainly driven by an increase in reinvested earnings in Hungary and intercompany lending. The increase of nearly EUR 0.4 billion in net external debt resulting from transactions in January was mainly linked to the banking system, while the government's indicator decreased.

2. Financial markets

2.1. International financial markets

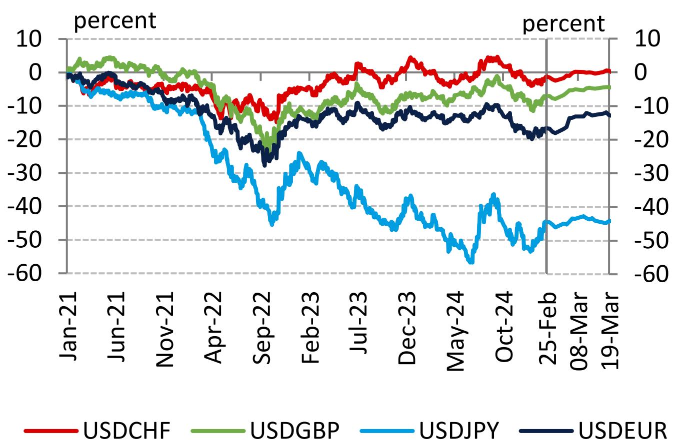
Since the previous interest rate decision, international investor sentiment has been driven mainly by developments in trade policy, the announcement of German fiscal easing measures and news of the start of ceasefire talks in the Russia-Ukraine war. Risk indicators increased, the dollar weakened, long-term bond yields rose, while equity indices showed a mixed picture. Developments in raw material prices were also mixed during the period under review.

Chart 11 Developed market equity indices, the VIX index and the EMBI Global Index



Note: Stock indices (S&P500 and DAX) normalised to the beginning of 2021.
Source: Bloomberg

Chart 12 Evolution of developed market foreign exchange rates compared to the first trading day of January 2021



Note: Positive values indicate the strengthening of the variable (second) currency.
Source: Bloomberg

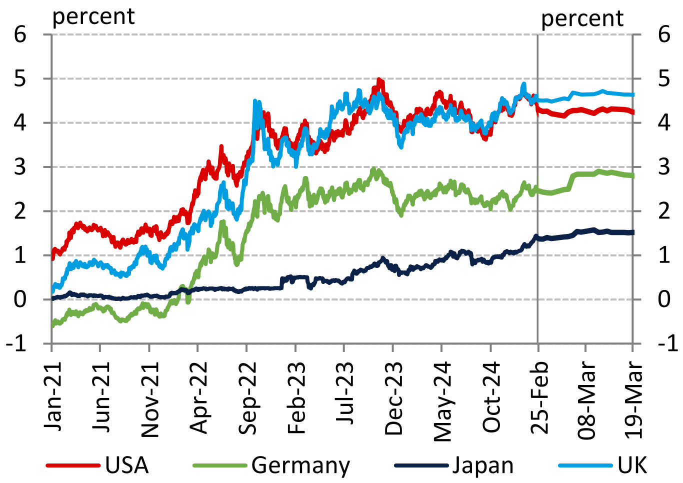
Over the period since the previous interest rate decision, global financial markets have seen strong movements on the back of various trade and geopolitical announcements. Overall, markets had a negative reaction to the introduction of new tariffs and unsuccessful negotiations on the Russia-Ukraine war. In continental Europe, investor sentiment was positive on fiscal easing announcements, while long yields rose.

Risk indicators have risen over the past month. The VIX index, which measures US stock market volatility, was thus around 21.7 percent, while the Vstoxx index, which measures European stock market volatility, was around 21 percent at the end of the period. Since the previous interest rate decision, the EMBI Global index, which captures emerging market bond spreads, have risen to 303 basis points, while the MOVE index, which measures developed bond market volatility, have remained at 96.7 basis points (Chart 11).

Developments in stock indices were mixed during the period. Due to increased risks, leading US stock indices fell by 4-6 percent. In contrast, leading European stock indices rose slightly on the back of expectations of fiscal easing. Asian indices also showed a mixed picture, with the Japanese index falling 1.3 percent and the Chinese index rising 2.4 percent due to expectations of possible growth stimulus programmes. The MSCI index, which tracks emerging market stock exchanges, rose by 2 percent.

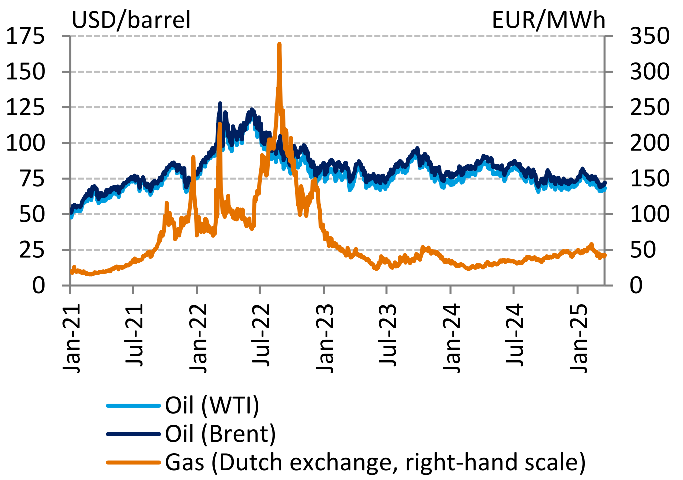
The US dollar has weakened against almost all major currencies since the last interest rate decision (Chart 12). The US dollar fell by 4.1 percent against the euro on the back of uncertainty around US tariffs and European fiscal announcements, and came close to the 1.1 level by the end of the period. The US dollar was down 2.5 percent against the British pound and 1.8 percent against the Swiss franc. The Chinese yuan appreciated by 0.4 percent, while the Japanese yen depreciated slightly by 0.2 percent against the US dollar. In emerging markets, the Turkish lira falling by 7 percent against the US dollar should be highlighted.

Chart 13 Yields on developed market long-term bonds



Source: Bloomberg

Chart 14 Developments in oil and gas prices



Source: Bloomberg

Developed and emerging market long yields have generally increased since the previous interest rate decision (Chart 13). German and French long yields rose by 35 and 27 basis points, respectively, further reducing German and French 10-year yield spreads on the back of the announcement of fiscal easing in Germany. The US 10-year yield has remained unchanged since the previous interest rate decision, while the Japanese long yield has risen by 13 basis points, bringing it up to 1.5 percent level. Developments in ten-year government bond yields in the CEE region were mixed, with Hungary up 40 and Czechia 17 basis points, Poland remaining steady and Romania down 6 basis points.

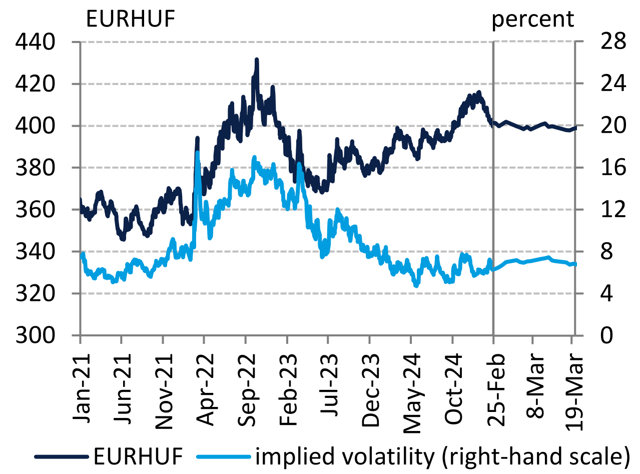
Commodity prices have been mixed since the previous interest rate decision. The Bloomberg commodity price index rose by 0.4 percent over the period. The cereals sub-index fell by 4.1 percent, the agricultural products sub-index by 2.9 percent and the energy sub-index by 2.6 percent, while the livestock and industrial metals sub-indices were up 6.8 and 6 percent, respectively. The sub-index for other raw materials increased by 0.7 percent. The price of **Brent oil fell by 3.4 percent to USD 70.6** per barrel from USD 73 recorded at the previous interest rate decision. The price of the US benchmark, WTI barrel, fell by 2.9 percent from USD 68.9 to USD 66.9 (Chart 14). The fall in oil prices was driven by plans by OPEC+ to increase production in April, growth concerns over the trade war and news of peace talks in Ukraine.

Gas prices in Europe fell by 8 percent since the last interest rate decision. The Dutch TTF exchange price fell from EUR 44/MWh at the previous interest rate decision to EUR 38 in the first half of the period, before correcting to around EUR 41. In the first half of the period, the fall in gas prices was driven by warmer weather forecasts, the relaxation of European gas storage filling requirements and the announcement of the European Affordable Energy Action Plan. In the second week of March, colder weather forecasts and intensifying clashes between Russia and Ukraine pushed the Dutch gas exchange price up to around EUR 43, before falling again at the end of the period.

2.2. Developments in domestic money market indicators

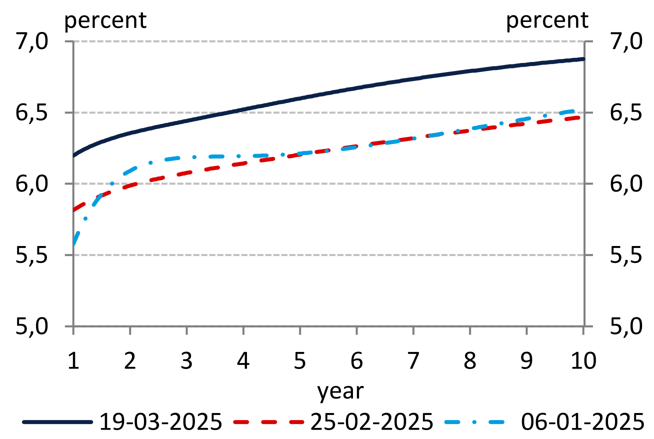
The forint has appreciated by 0.9 percent against the euro since the interest rate decision in February. The entire government bond yield curve shifted upwards. Since the previous interest rate decision, demand has been typically limited in government securities auctions. The 3-month interbank yield stands at 6.51 percent.

Chart 15 EUR/HUF exchange rate and the implied volatility of exchange rate expectations



Source: Bloomberg

Chart 16 Shifts in the spot government yield curve



Source: Bloomberg

The forint has appreciated by 0.9 percent against the euro since the February interest rate decision (Chart 15). Following the February interest rate decision, the forint traded in the 398-401 range against the euro for most of the period. The strengthening of the forint was also supported by developments related to the Russia-Ukraine war, favourable international investor sentiment, a significant weakening of the US dollar and moderating international gas prices. CEE currencies weakened against the euro during the period under review, with both the Polish zloty and the Czech koruna down 1 and 0.4 percent, respectively, over the previous month.

Relevant for monetary transmission, the 3-month BUBOR has remained steady since the previous interest rate decision, standing at 6.51 percent at the end of the period.

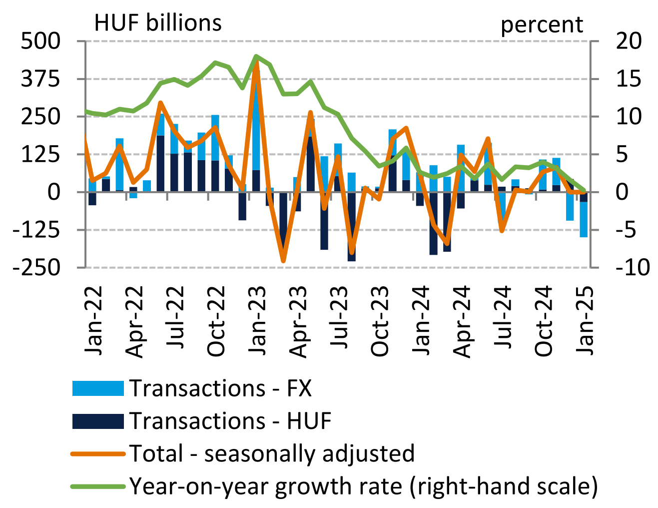
The entire government bond yield curve shifted upwards (Chart 16). Both the short and middle legs of the yield curve shifted upwards by nearly 40 basis points, while the long leg was up over 40 basis points.

During the period under review, auctions by the Government Debt Management Agency were characterised by limited demand. Discount treasury bill auctions have seen more subdued demand than in the past, while for bond auctions, demand typically almost doubled. Average yields rose over the period, with increases of 25-30 basis points for discount treasury bills and almost 20 basis points for government bonds.

3. Trends in lending

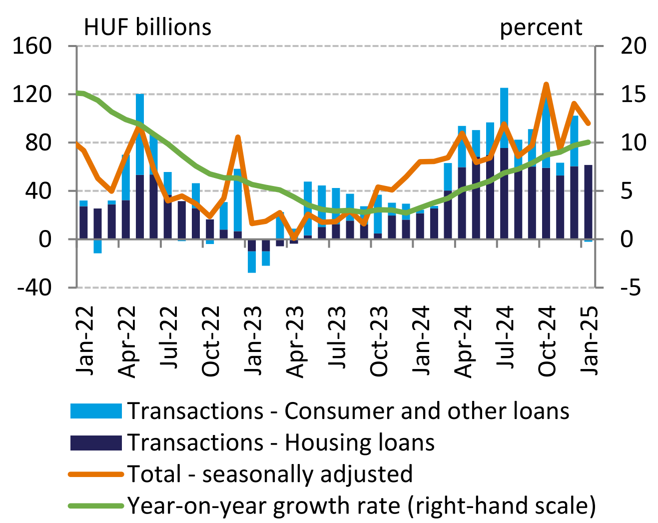
In January 2025, corporate loans outstanding were reduced by HUF 149 billion. The annual growth rate of loans slowed from 1.6 percent in December to 0.3 percent. In January, household lending increased by HUF 60 billion, bringing the annual growth rate of the stock to 10.0 percent, up 0.3 percentage points from December.

Chart 17 Net borrowing by non-financial corporations



Source: MNB

Chart 18 Net borrowing by households



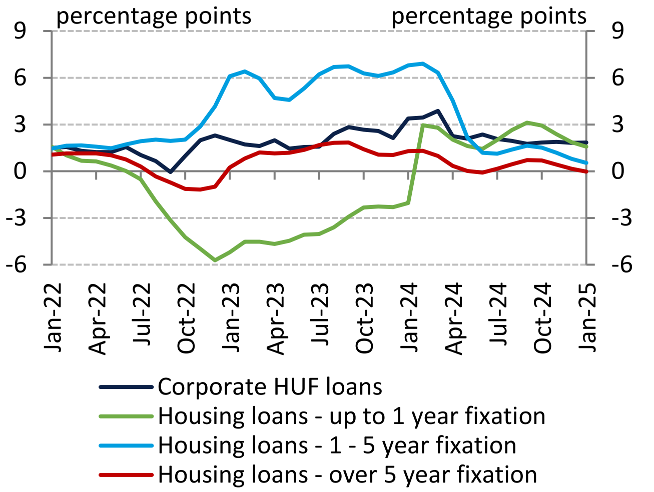
Source: MNB

In January 2025, corporate loans decreased by HUF 149 billion as a result of decreases in both forint loans and foreign currency loans by HUF 33 billion and HUF 116 billion, respectively. **The annual growth rate of loans slowed** from 1.6 percent in December **to 0.3 percent** (Chart 17). Credit institutions contracted new non-overdraft loans in an amount of HUF 199 billion during the month, which is 22 percent lower than in the same period of the previous year.

In January, household lending increased by HUF 60 billion due to transactions, bringing the annual growth rate of the stock to 10.0 percent, up 0.3 percentage points from December (Chart 18). The HUF 243 billion volume of new household loan contracts was 42 percent higher than in the same period last year. This includes a 52-percent annual increase in the value of new housing loan contracts. More than 941 contracts were signed in January under the HPS Plus Scheme, available since January 2024, amounting to a total of HUF 25 billion and accounting for 20 percent of new housing loans disbursed during that month. Under the Subsidised Loans for Workers launched in January, applicants signed more than 2,400 contracts worth HUF 9.4 billion in total.

The smoothed interest rate spread on forint corporate loans was unchanged compared with the previous month, standing at 1.83 percentage points in January 2025 (Chart 19). As for housing loans, the spread on products with a fixed interest rate beyond 5 years decreased by 18 basis points to -0.02 percentage points at the end of the period under review.

Chart 19 Developments in corporate and household credit spreads



Note: APR-based smoothed spreads on household loans, calculated using the average reference rate for the month in which the loan was issued. In the case of forint corporate loans and housing loans with variable interest or interest fixed for 1 year at the most, the 3-month BUBOR, while in the case of housing loans fixed for over one year the margin above the relevant IRS.

Source: MNB