

2 March 2001

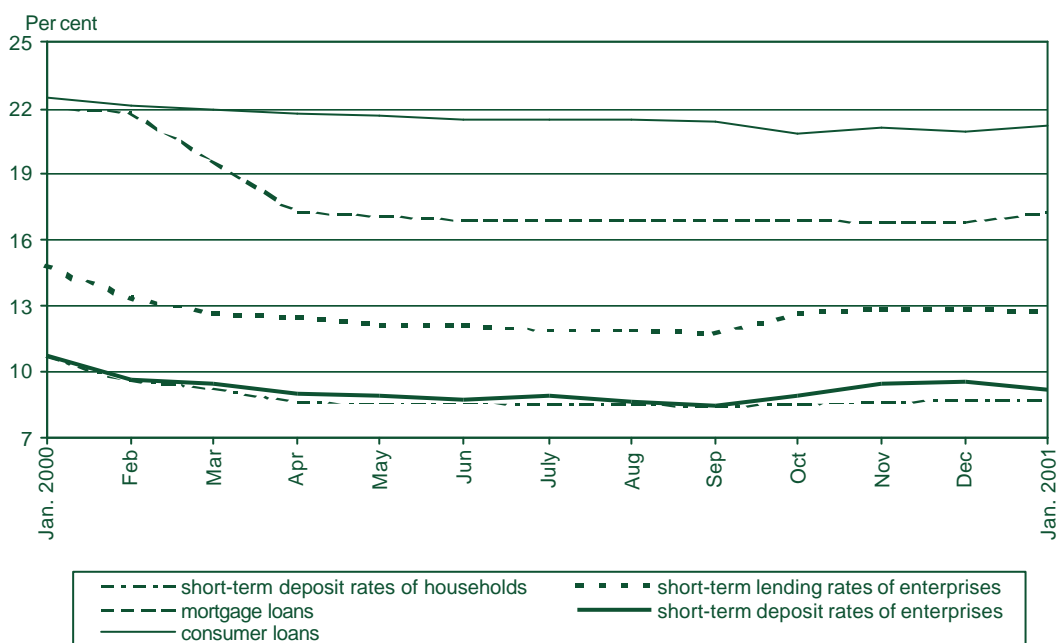
PRESS RELEASE

Household and corporate sector borrowing and deposit rates, interbank lending rates

January 2001

In January 2001, corporate sector average borrowing and deposit rates fell across every maturity. The averages of household sector borrowing and deposit rates were mostly higher than in the preceding month, due to changes in the composition of outstanding borrowings and deposits.

Household and corporate sector borrowing and deposit rates



The differential between the averages of corporate and household sector short-term borrowing rates^{a)} widened by 0.6 of one percentage point, to 8.2 per cent in the month. The average interest rate remunerated on corporate sector short-term deposits was only 40 basis points higher than that paid on household sector short-term deposits.

Turnover in the forint interbank market amounted to Ft 1,882.9 billion. Average interest rates fell.

^{a)} Average borrowing rates facing the two sectors are determined on the basis of all new borrowing deals transacted in the course of the month.

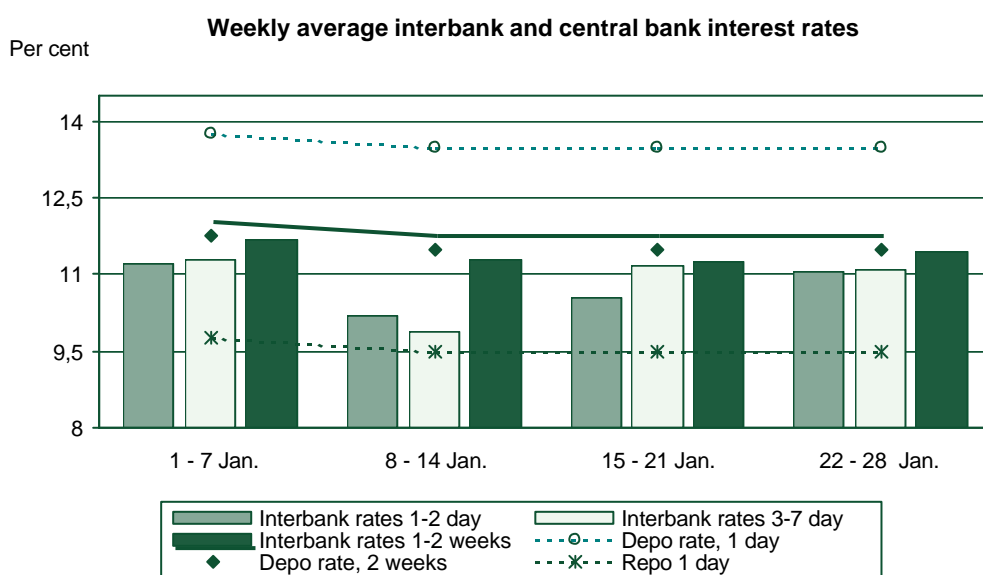
Corporate sector average short and long-term borrowing and deposit rates fell relative to December.

Corporate sector average short-term borrowing rates, negotiated at market conditions, fell 10 basis points, to 12.7%. The banking sector average of short-term deposit rates was 30 basis points lower, at 9.2%. As a result of the above changes in average rate levels, the banking spread widened to 350 basis points. As regards long-term funding, which has a less important role in the market of corporate sector debts and deposits, the banking sector average of interest rates fell 30 basis points, to 13.1%. Long-term deposit rates fell by a modest 10 basis points, to an average of 9.3%.

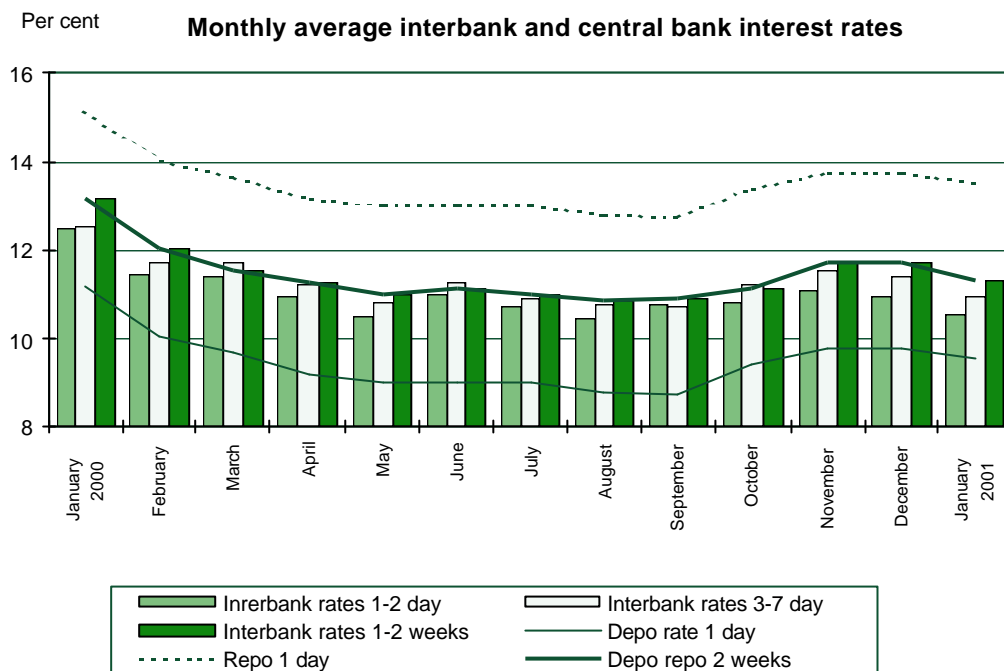
Households sector borrowing and deposit rates fell in the month, but this was entirely due to changes in the composition of outstanding borrowings and deposits.

Average sight deposit rates rose 20 basis points, to 3.7%, accompanied by a drop in flows into deposits. The average of both short and long-term deposit rates remained unchanged at 8.8% and 8.9% respectively.

The average of household sector borrowing rates rose 40 basis points, to 21.0%, on account of the change in the composition of outstanding borrowings. Here, the average of home-building and property loan rates rose 50 basis points, to 17.3%, and that of rates on consumer credit and other loans rose 20 basis points, to 21.2%, explained by a shift toward facilities with higher rates within an otherwise moderate total lending. Eliminating the effect of the change in composition, the banking sector average of interest rates rose only 10 basis points, accounted for entirely by an equal increase home-building and property loan rates.



On 8 January 2001, the National Bank of Hungary reduced the two-week deposit rate from 11.75% to 11.5%, the overnight repo rate from 13.75% to 13.5% and the overnight deposit rate from 9.75% to 9.5%. The interest rate remunerated on banks' compulsory reserves built for domestic currency liabilities also fell, from 6.0% to 5.75%. On 31 January 2001, the Bank lowered the interest rate remunerated on banks' compulsory reserves built for domestic currency liabilities from 5.75% to 3.5%, in line with the changes to the system of reserve requirements, announced earlier.



The averages of interbank interest rates continued to move downwards in January, influenced by the reduction in official interest rates. Average 1–2 day rates stood at 10.6%, down 30 basis points on the preceding month's level. The share of this maturity within the total area was 86.3%, rising by 3.2 percentage points. The average rate in the maturity bracket of 3–7 day deals fell 50 basis points, to 10.9%, its proportion of the total, at 6.2%, being 5 percentage points higher than in December. The share of turnover between 1–2 weeks was 4.6% of the total, showing an increase of 2.4 percentage points. The average interest rate in this maturity area was 11.4%, down 40 basis points on the preceding month. Interest rates at maturities extending beyond two weeks stood at an average 11.4%. Transactions accounted for 2.9% of total turnover.

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

ENTERPRISE SECTOR FORINT AVERAGE BORROWING AND DEPOSIT RATES^{a)}

	2000												Per cent 2001
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Loans													
Short-term loans	14,8	13,4	12,6	12,5	12,1	12,1	11,9	11,9	11,7	12,6	12,8	12,8	12,7
Long-term loans	15,1	14,1	13,1	12,8	12,5	12,6	12,2	12,5	12,3	13,1	13,5	13,4	13,1
Discounted bills	14,2	14,2	12,7	12,3	12,6	12,2	12,1	12,5	12,1	12,3	12,4	12,9	12,6
Time deposits													
Fixed for short term	10,7	9,7	9,4	9,0	8,9	8,8	8,9	8,7	8,4	8,9	9,4	9,5	9,2
One month or less	10,5	9,6	9,4	9,0	8,9	8,7	8,8	8,4	8,3	8,8	9,3	9,4	9,2
Between one month and one year	11,3	10,0	9,8	9,1	9,2	9,2	9,1	9,7	9,3	9,3	9,7	9,9	9,5
Fixed for more than one year	11,5	9,0	10,0	9,5	10,3	11,7	9,0	9,8	10,0	9,7	9,6	9,4	9,3
Current account deposits													
Minimum	1,0	1,0	0,5	1,0	0,5	1,0	1,0	0,8	1,0	1,0	1,0	0,7	1,0
Maximum	15,0	13,0	14,3	14,0	14,0	12,0	12,7	12,3	11,8	12,5	11,5	12,9	12,3

a) Weighted average. Data of the individual contracts concluded in the current month by the banks and specialized credit institutions with enterprises and entrepreneurs under market conditions. The lending rates do not contain the additional charges (e.g. fees).

HOUSEHOLD SECTOR BORROWING AND DEPOSIT RATES^{a)}

	2000												Per cent 2001
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Deposits													
Sight deposits	5,2	4,3	4,1	3,8	3,7	3,6	3,5	3,4	3,4	3,3	3,4	3,5	3,7
Deposits fixed for one year or less	10,7	9,6	9,3	8,7	8,6	8,6	8,5	8,5	8,4	8,5	8,7	8,8	8,8
deposits fixed for one month	10,6	9,3	9,1	8,5	8,4	8,4	8,4	8,3	8,2	8,3	8,5	8,6	8,7
deposits fixed for three months	11,4	10,4	9,9	9,3	9,1	9,2	9,2	9,0	9,0	9,2	9,3	9,5	9,5
deposits fixed for six months	11,5	10,3	9,8	9,5	9,2	9,1	8,8	8,7	8,6	8,6	8,9	9,2	9,1
deposits fixed for one year	10,8	9,8	9,2	8,9	8,7	8,7	9,0	9,1	9,1	9,2	9,1	8,4	8,9
Deposits fixed for over one year	11,6	10,1	10,1	9,1	9,0	8,8	8,9	8,7	8,7	9,0	8,9	8,9	8,9
Loans													
Households loans	22,5	22,1	21,7	21,3	21,2	21,1	21,0	21,0	20,7	20,5	20,7	20,6	21,0
mortgage loans	22,0	21,8	19,3	17,3	17,1	16,9	16,9	16,9	16,9	16,9	16,8	16,8	17,3
consumer loans ^{b)}	22,5	22,1	21,9	21,7	21,6	21,5	21,5	21,5	21,4	20,9	21,1	21,0	21,2

a) Current month's interest rates weighted by the total amount of deposits made (or loans created) during the month.

b) Includes outstanding personal and car purchase loans, instalment credit, Lombard and mortgage loans, as well as overdrafts, etc.