

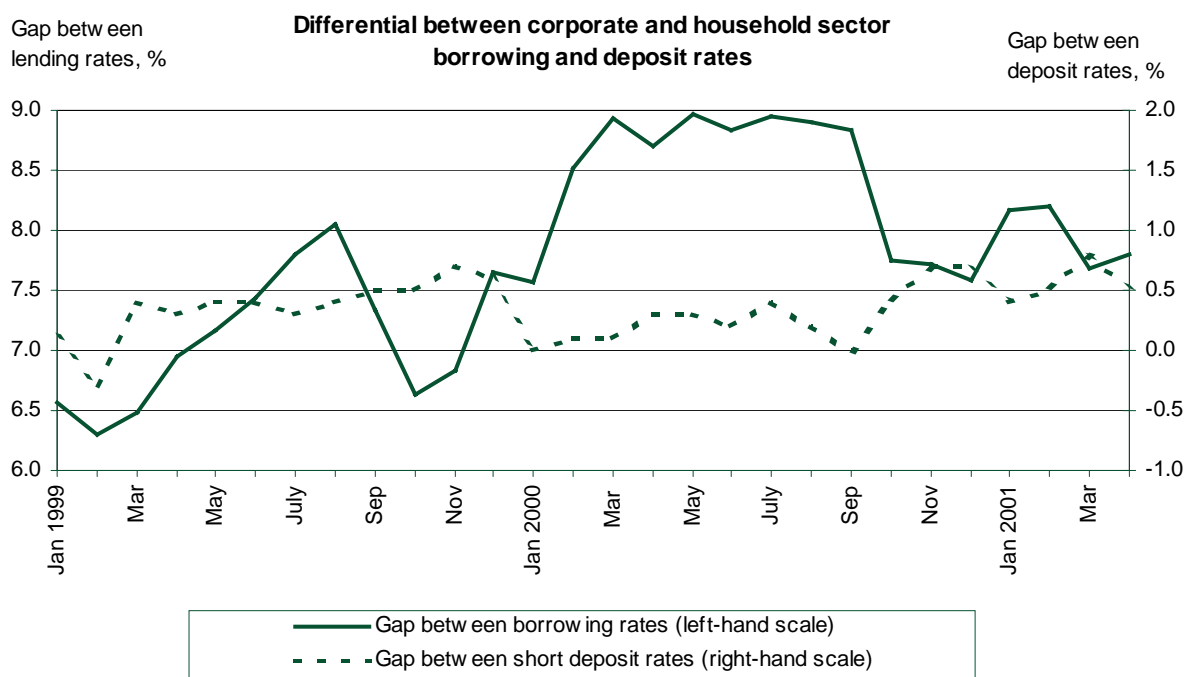
2 May 2001

PRESS RELEASE

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

April 2001

In April, average interest rates on corporate and household sector borrowings were unchanged in comparison with the preceding month. The average of corporate sector short-term deposit rates fell, that of household sector deposit rates remaining static at the level seen in March.

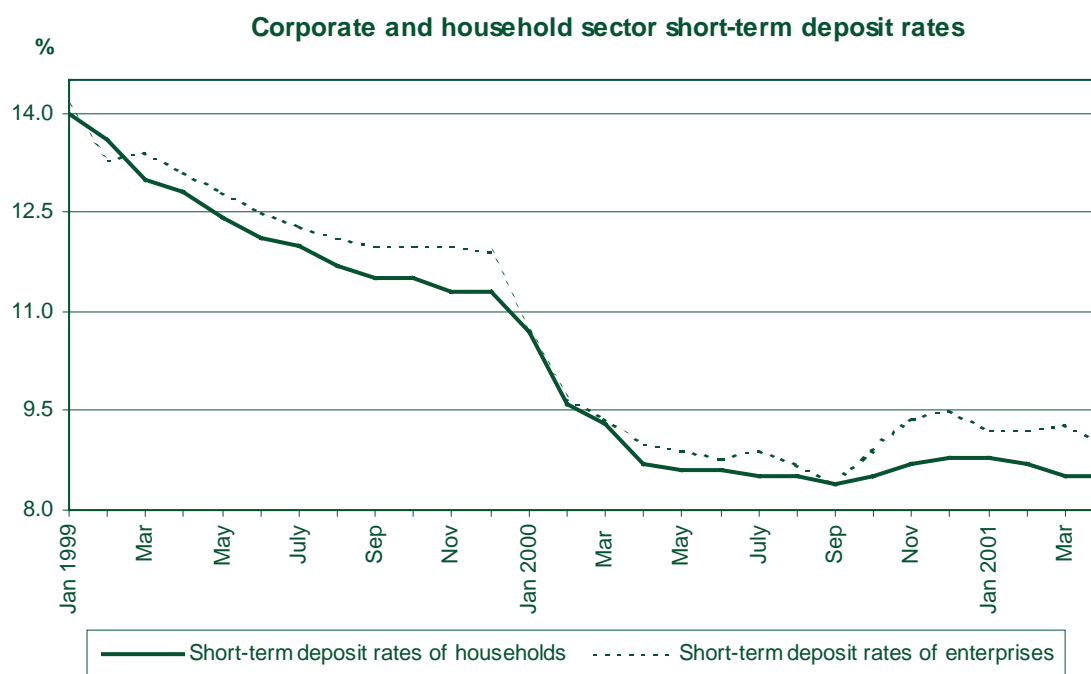
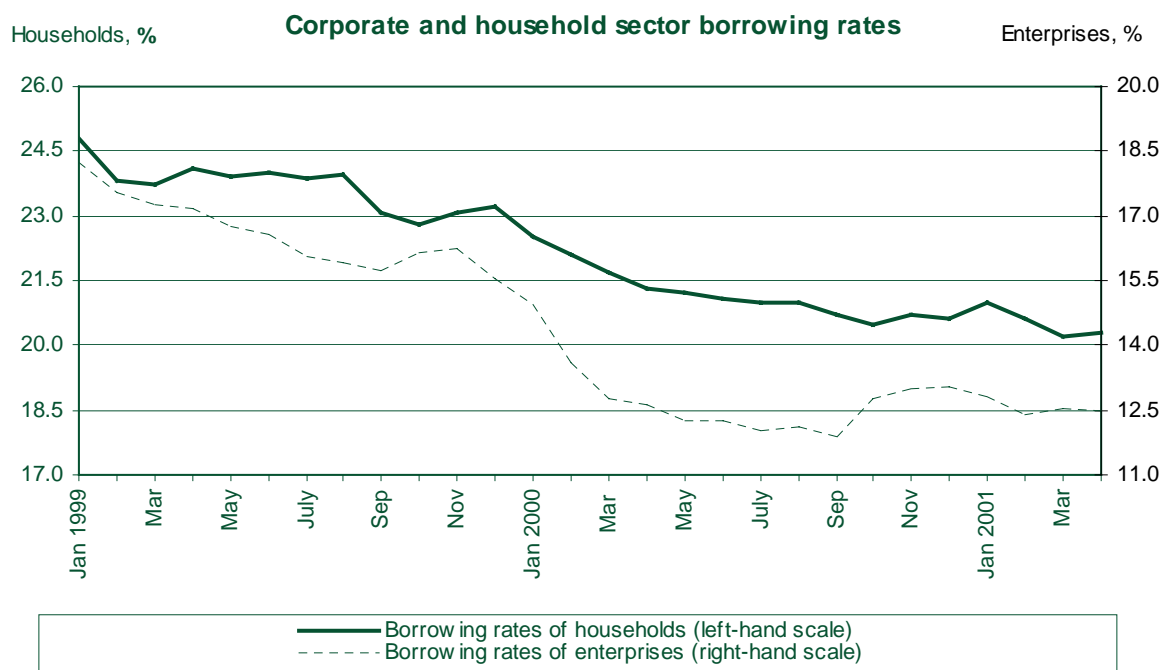


Since October 2000, the differential between the averages of corporate and household sector short-term borrowing rates has been fluctuating in a much narrower range than earlier. The gap between the averages of the two sectors' borrowing rates^{a)} remained practically unchanged at 7.8 per cent in April. Following 80 basis points in March, the average interest rate remunerated on corporate sector short-term deposits was 50 basis points higher than that paid on household sector short-term deposits.

Turnover in the forint interbank market amounted to Ft 1,400.2 billion, showing a decrease of Ft 142.6 billion relative to March. The monthly averages of interest rates fell at the shorter maturities, those at longer maturities rising.

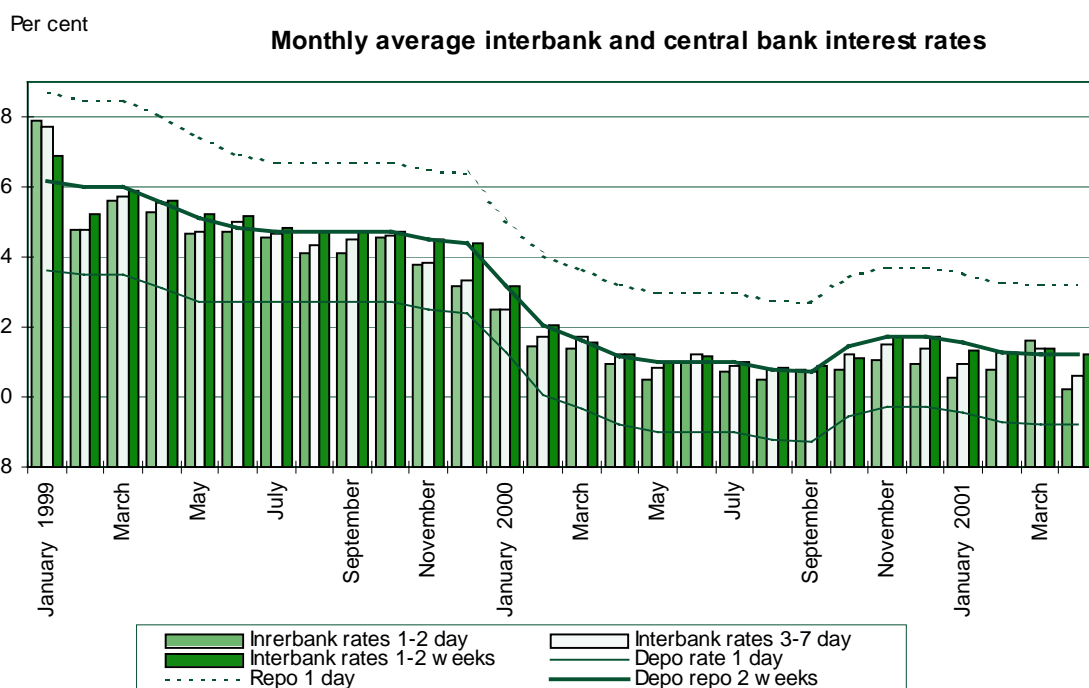
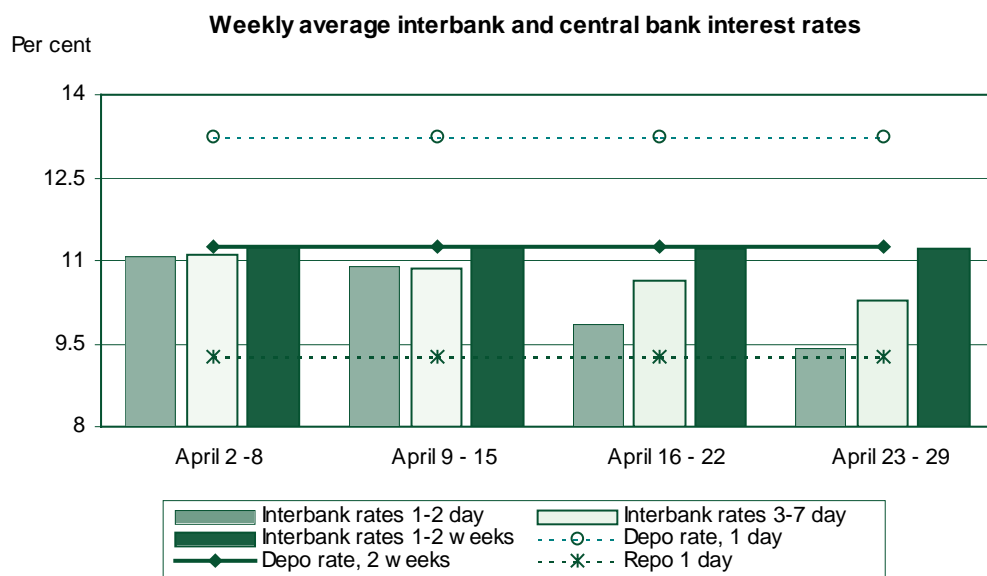
^{a)} Average borrowing rates facing the two sectors are determined on the basis of all new borrowing deals transacted in the course of the month.

The banking sector average of corporate sector short-term borrowing rates, negotiated at market conditions, remained unchanged at 12.4%, that of short-term deposit rates falling 30 basis points, to 9.0%. As a result of the above movements in average interest rate levels, the short-term banking spread widened to 3.4 percentage 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 20 basis points to 12.7%. Long-term deposit rates, in contrast, rose from March's 9.0% to an average 9.2%.



The averages of household sector short and long-term deposit rates were unchanged at March's 8.5% and 8.9% respectively. The average sight deposit rate also remained static at 3.4%.

Household sector average borrowing rates, too, were barely changed in April. The average of home-building and property loan rates was 16.0%, as seen in March. By contrast, the average interest rate on consumer credit and other loans rose 10 basis points to 20.7%. That reflected a larger share of bank lending at interest rates higher than average.



The average of interest rates at maturities of less than two weeks fell in the interbank forint market in April. The average 1–2 day rate was 10.2%, down 140 basis points on the preceding month's level. Turnover in the maturity area fell, its percentage share within the total being 2.4 percentage points lower, at 74.5%. The proportion of 3–7 day deals within the total was 8.2%, showing a 2.5 percentage points drop relative to March. The average rate in this maturity bracket fell 80 basis points to 10.6%. Up 4 percentage points in comparison with the preceding month, the share of turnover between 1–2 weeks rose further, to account for 11.3% of all transactions. The average interest rate in this maturity area, at 11.2%, was

20 basis points lower than in March. Interest rates at maturities extending beyond two weeks stood at an average 11.3%. Transactions here accounted for 6% of total turnover.

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

Appendix

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

Per cent

	2000										2001			
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Febr	Mar	Apr	
Loans														
Corporate loans	12.6	12.2	12.2	12.0	12.1	11.9	12.8	13.0	13.0	12.8	12.4	12.5	12.5	
Short-term loans	12.5	12.1	12.1	11.9	11.9	11.7	12.6	12.8	12.8	12.7	12.2	12.4	12.4	
Long-term loans	12.8	12.5	12.6	12.2	12.5	12.3	13.1	13.5	13.4	13.1	12.9	12.9	12.7	
Discounted bills	12.3	12.6	12.2	12.1	12.5	12.1	12.3	12.4	12.9	12.6	12.3	12.6	11.8	
Time deposits														
Fixed for short term	9.0	8.9	8.8	8.9	8.7	8.4	8.9	9.4	9.5	9.2	9.2	9.3	9.0	
One month or less	9.0	8.9	8.7	8.8	8.4	8.3	8.8	9.3	9.4	9.2	9.2	9.2	9.0	
Between one month and one year	9.1	9.2	9.2	9.1	9.7	9.3	9.3	9.7	9.9	9.5	9.3	9.5	9.6	
Fixed for more than one year	9.5	10.3	11.7	9.0	9.8	10.0	9.7	9.6	9.4	9.3	9.5	9.0	9.2	
Current account deposits														
Minimum	1.0	0.5	1.0	1.0	0.8	1.0	1.0	1.0	0.7	1.0	1.0	1.0	1.0	
Maximum	14.0	14.0	12.0	12.7	12.3	11.8	12.5	11.5	12.9	12.3	12.0	12.0	12.0	

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)}

Per cent

	2000										2001			
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	
Deposits														
Sight deposits	3.8	3.7	3.6	3.5	3.4	3.4	3.3	3.4	3.5	3.7	3.4	3.4	3.4	
Deposits fixed for one year or less	8.7	8.6	8.6	8.5	8.5	8.4	8.5	8.7	8.8	8.8	8.7	8.5	8.5	
deposits fixed for one month	8.5	8.4	8.4	8.4	8.3	8.2	8.3	8.5	8.6	8.7	8.5	8.3	8.4	
deposits fixed for three months	9.3	9.1	9.2	9.2	9.0	9.0	9.2	9.3	9.5	9.5	9.5	9.4	9.3	
deposits fixed for six months	9.5	9.2	9.1	8.8	8.7	8.6	8.6	8.9	9.2	9.1	9.0	8.9	8.9	
deposits fixed for one year	8.9	8.7	8.7	9.0	9.1	9.1	9.2	9.1	8.4	8.9	8.7	8.8	8.9	
Deposits fixed for over one year	9.1	9.0	8.8	8.9	8.7	8.7	9.0	8.9	8.9	8.9	9.2	8.9	8.9	
Loans														
Households loans	21.3	21.2	21.1	21.0	21.0	20.7	20.5	20.7	20.6	21.0	20.6	20.2	20.3	
mortgage loans	17.3	17.1	16.9	16.9	16.9	16.9	16.9	16.8	16.8	17.1	17.0	16.0	16.0	
consumer loans b)	21.7	21.6	21.5	21.5	21.5	21.4	20.9	21.1	21.0	21.2	20.9	20.6	20.7	

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.