

2 August 2001

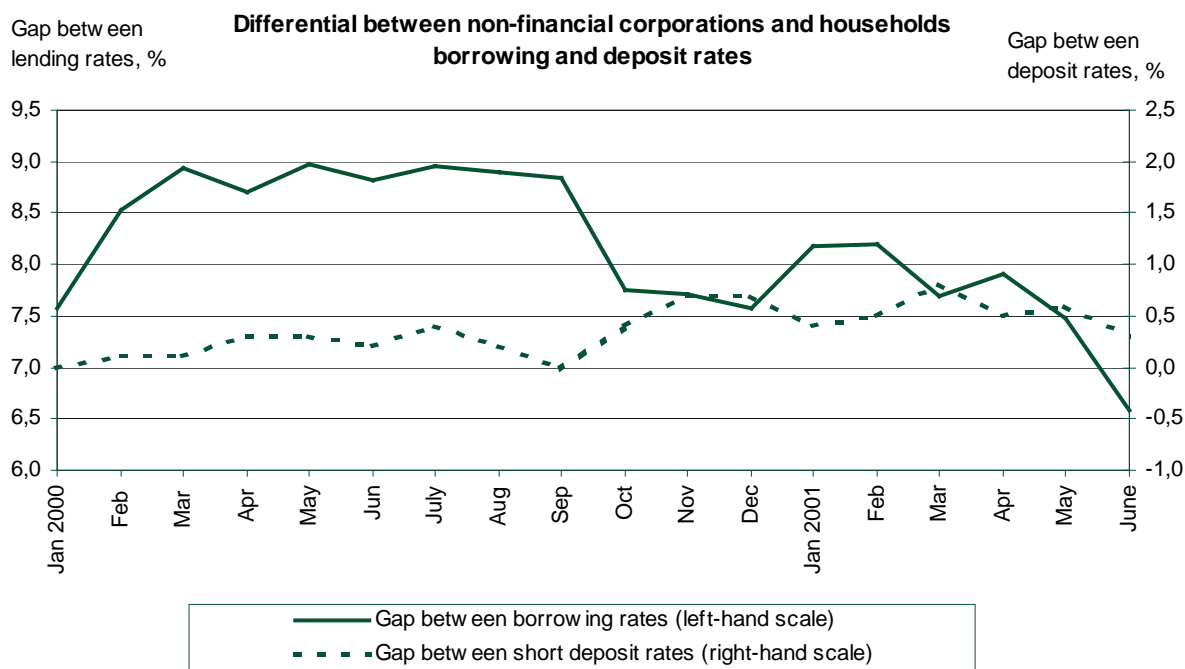
PRESS RELEASE

Household and non-financial corporate sector borrowing and deposit rates, interbank lending rates

June 2001

Beginning with this statement, there will be a change in economic agents' sectoral breakdown and the organisation of the data on household deposits. In future releases, the entries for residential loans extended to households will exclusively include rates on loan facilities provided on market terms. For further information on the above changes, refer to Appendix 1.

In June, the averages of non-financial corporate sector borrowing and deposit rates for terms less than one year fell slightly relative to the preceding month¹. The trend of average household sector residential loan rates extended on market terms continued to be downwards.

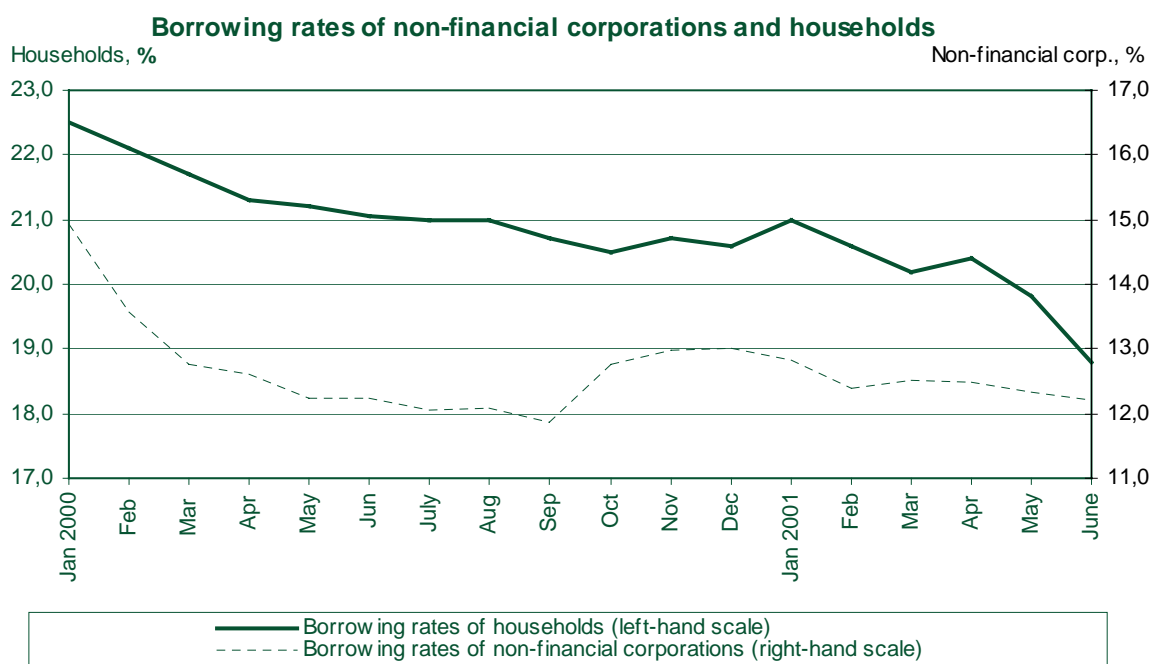


¹ Due to reporting errors and the changes in the sectoral breakdown, the May interest rates relating to non-financial enterprises have been revised. Revision of the May data is in progress, and the finalised statistics will be released by the National Bank in its statement with the statistics for the month of July.

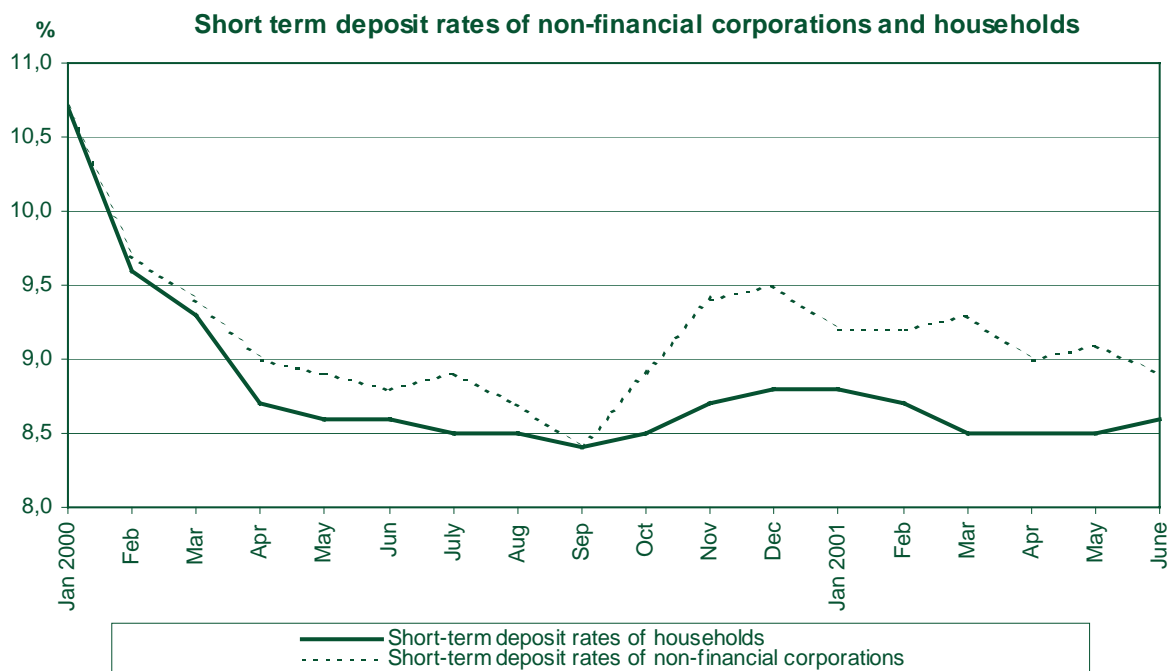
The differential between the averages of non-financial corporate and household sector borrowing rates² narrowed by 0.9 of a percentage point to 6.6 percentage points in June. The differential between non-financial enterprises' average short-term deposit rates and household deposit rates for similar maturities amounted to 0.3 of a percentage point.

Turnover in the forint interbank market amounted to Ft 1,418.3 billion, showing a decrease of Ft 108.3 billion relative to the previous month. The monthly averages of interest rates fell slightly at the shorter maturities, those at longer maturities changing little.

The average **borrowing** rates on **lending** to **non-financial corporations** extended on market terms for periods less than one year fell to 12.1%, a decrease of 0.2 percentage points relative to the May figure. Average rates on **deposits** with similar maturities decreased by 0.2 percentage points from the figure for the previous month to 8.9%. The difference between average short-term borrowing and deposit rates remained unchanged at 3.2 percentage points. As far as maturities in excess of one year are concerned, with a smaller weight in non-financial corporations' borrowing and deposit transactions, borrowing rates rose from 12.4% to 12.5% and deposit rates from 8.3% to 8.5%.

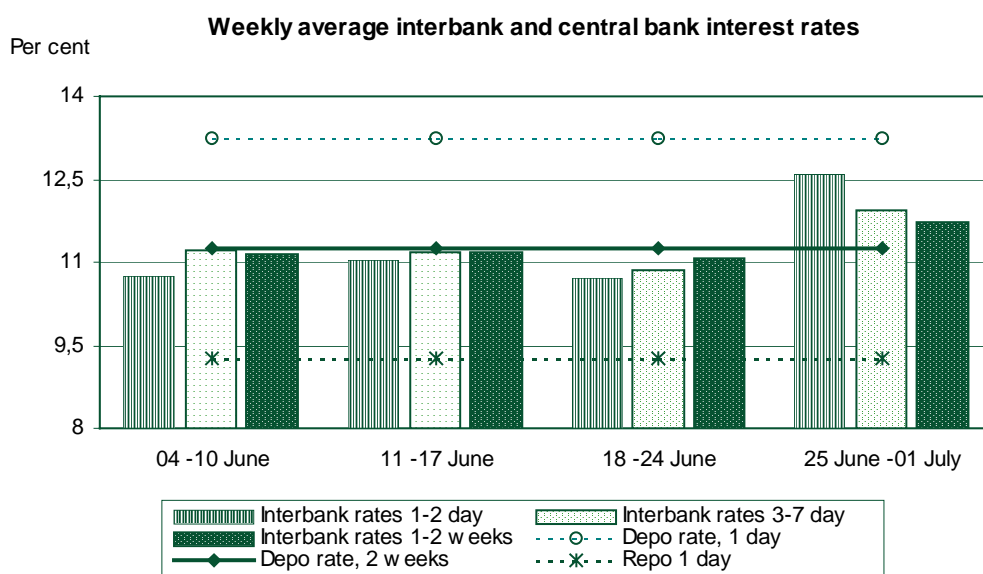


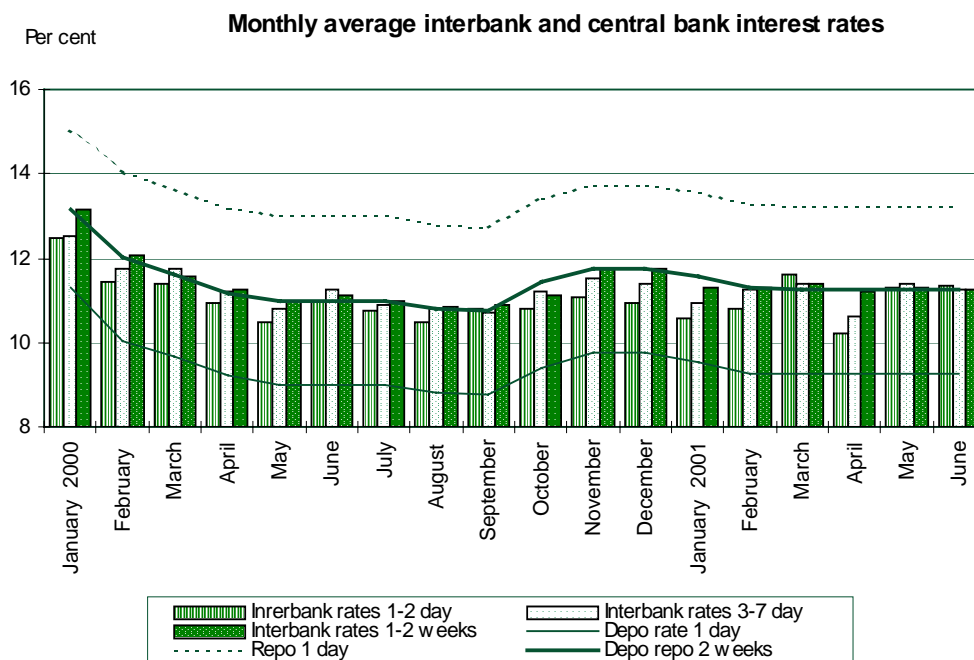
² The average borrowing rates for both sectors are defined by the Bank by weighting the rates with the value of total new contracts concluded during the month under review.



The average rate on **household** sector sight and short-term deposits was 0.1 percentage points higher in June than in the previous month. The average rates paid on sight deposits changed to 3.4%, those on short-term deposits to 8.6%. Average long-term deposit rates have risen by 0.3 percentage points to 9.3%. The 0.3 percentage point rise was due to the fact that depositors gave preference to already existing facilities offering higher rates.

Household sector average **borrowing** rates declined from 19.8% to 18.8% in June, due to an increased proportion of lower-rate residential loans extended on market terms within total lending, relative to the previous month. Of household **borrowing** transactions, the average rates on residential loans extended on market terms fell slightly during the month, by 0.2 percentage points to 16.1%, while average consumer and other borrowing rates (at 21.1% in June) also fell slightly, by 0.1 percentage points on the previous month.





In June, the **interbank forint market** experienced a slight fall in average rates in respect of short-term transactions, with the exception of 1 to 2 day deals. Average rates on lending for 1 to 2 days stood at 11.4%, 0.1 percentage points up on the previous month. Turnover at this maturity increased, with its proportion to total turnover up by 10.6 percentage points to 90%. Turnover in transactions for 3 to 7 days accounted for 5% of total turnover, down by 2.6 percentage points compared with its share in the previous month. Average rates at the 3 to 7 day maturity fell by 0.1 percentage points to 11.3%. Turnover at the 1 to 2 week maturity declined, with its proportion in total turnover standing at 2.3%. This implied a 6.1 percentage point decrease on the previous month. The average monthly rates at this maturity remained unchanged at 11.3%. The combined share of transactions with a maturity in excess of two weeks amounted to 2.7%, alongside an average level of interest rates at 11%.

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

Statistical Department
NATIONAL BANK OF HUNGARY

Changes in the press release on household and non-financial corporate sector borrowing and deposit rates and interbank lending rates

1. With the introduction of a uniform statistical sectoral breakdown, from May 2001 the corporate sector has been replaced by the sector of non-financial corporations. The latter sector differs from the corporate sector inasmuch as it does not include sole proprietors. Accordingly, from May 2001, the series do not include data on sole proprietors. The change in the sectoral breakdown will not introduce significant discrepancy into average interest rates, with sole proprietors' borrowing and deposit transactions being negligible compared with those of non-financial corporations. Due to the small size of the difference, the statistics with the new content can be compared with previous data without the need for re-entering the changes.
2. Household interest rate statistics continue to include data on individuals' borrowing and deposit rates. In addition to the household rates, the Bank will also publish information on sole proprietors in the near future. Hence, the press release will cover the full household sector as defined by international macrostatistical methodology.
3. Unlike in previous press releases, statistics on household borrowing rates will exclusively include data on loans extended on market terms, due to a change in the content of reported data. The series have been revised going back to January 2000. Revision of earlier data is not possible in the absence of the required statistics.
4. The structuring of data on household-sector deposits has been changed: for the sake of simplicity, maturities of 3 to 6 months and 6 to 12 months have been merged into one category.

**NON-FINANCIAL CORPORATIONS^{a)} SECTOR FORINT AVERAGE
BORROWING AND DEPOSIT RATES^{b)}**

Per cent

	2000							2001					
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Febr	Mar	Apr	May ^{c)}	Jun
Loans													
Non-financial corporation loans	12,2	12,0	12,1	11,9	12,8	13,0	13,0	12,8	12,4	12,5	12,5	12,3	12,2
Short-term loans	12,1	11,9	11,9	11,7	12,6	12,8	12,8	12,7	12,2	12,4	12,4	12,3	12,1
Long-term loans	12,6	12,2	12,5	12,3	13,1	13,5	13,4	13,1	12,9	12,9	12,7	12,4	12,5
Discounted bills	12,2	12,1	12,5	12,1	12,3	12,4	12,9	12,6	12,3	12,6	11,8	12,3	12,1
Time deposits													
Fixed for short term	8,8	8,9	8,7	8,4	8,9	9,4	9,5	9,2	9,2	9,3	9,0	9,1	8,9
One month or less	8,7	8,8	8,4	8,3	8,8	9,3	9,4	9,2	9,2	9,2	9,0	9,1	8,9
Between one month and one year	9,2	9,1	9,7	9,3	9,3	9,7	9,9	9,5	9,3	9,5	9,6	9,2	9,2
Fixed for more than one year	11,7	9,0	9,8	10,0	9,7	9,6	9,4	9,3	9,5	9,0	9,2	8,3	8,5
Current account deposits													
Minimum	1,0	1,0	0,8	1,0	1,0	1,0	0,7	1,0	1,0	1,0	1,0	1,0	1,0
Maximum	12,0	12,7	12,3	11,8	12,5	11,5	12,9	12,3	12,0	12,0	12,0	11,5	12,3

a) From May 2001, the data excludes interest rates relating to sole proprietors. The data on sole proprietors are not significant with respect to average rates, thus no significant discrepancy is perceived between the May statistics with the old and new content. Accordingly, the time series can be regarded as statistically homogenous.

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

c) Due to reporting errors, there may be changes in average monthly interest rates.

HOUSEHOLD SECTOR BORROWING AND DEPOSIT RATES^{a)}

Per cent

	2000							2001					
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Deposits													
Sight deposits	3,6	3,5	3,4	3,4	3,3	3,4	3,5	3,7	3,4	3,4	3,4	3,3	3,4
Deposits fixed for one year or less	8,6	8,5	8,5	8,4	8,5	8,7	8,8	8,8	8,7	8,5	8,5	8,5	8,6
deposits fixed for one month or less	8,4	8,4	8,3	8,2	8,3	8,5	8,6	8,7	8,5	8,3	8,4	8,3	8,4
deposits between one month and six month	9,2	9,2	9,0	9,0	9,2	9,3	9,5	9,5	9,5	9,4	9,3	9,5	9,4
deposits between six month and one year	8,9	8,9	9,0	8,9	8,9	9,0	8,7	9,0	8,8	8,9	8,9	8,9	8,8
Deposits fixed for over one year	8,8	8,9	8,7	8,7	9,0	8,9	8,9	8,9	9,2	8,9	8,9	9,0	9,3
Loans													
Households loans	21,2	21,1	21,1	20,8	20,6	20,8	20,7	21,0	20,7	20,4	20,4	19,8	18,8
Residential loans extended on market terms ^{b)}	17,5	17,4	17,3	17,3	17,5	17,4	17,7	17,9	17,8	17,0	16,6	16,3	16,1
consumer loans ^{c)}	21,5	21,5	21,5	21,4	20,9	21,1	21,0	21,2	20,9	20,6	20,7	21,2	21,1

a) Interest rates specified for the period under review, weighted with new deposits (lending) during the month under review. The interest rates do not include additional costs (such as charges and commission).

b) This category includes loans for residential purposes (such as construction and purchases, renewal and extension) and other residential (holiday homes, garages) construction loans extended on market terms, collateralized or uncollateralized with mortgage.

c) Including personal loans, credits for purchasing cars and consumer durable goods, Lombard loans, mortgages and current account credits, etc.