

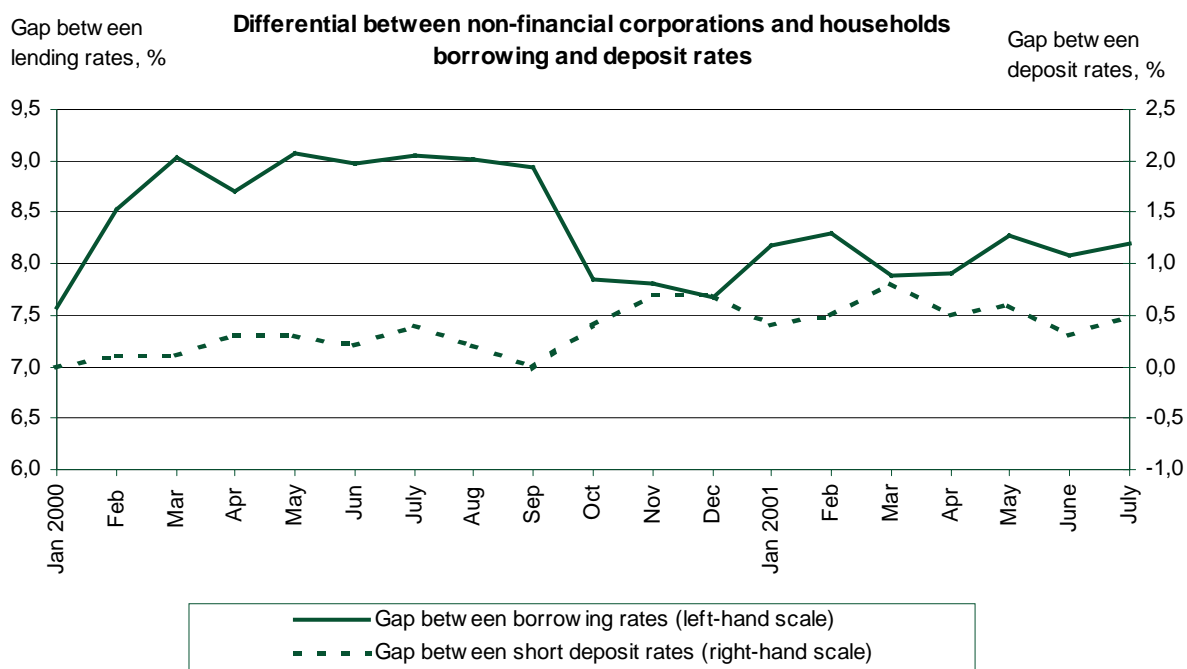
3 September 2001

## PRESS RELEASE

### Non-financial corporations and household sector borrowing and deposit rates, interbank lending rates

July 2001

*In July, the averages of non-financial corporations<sup>1</sup> and household sector short-term borrowing and deposit rates remained practically unchanged relative to the preceding month.*



*The differential between the averages of non-financial corporations' and households' short-term borrowing rates<sup>2</sup> widened from 8.1 percentage points to 8.2 percentage points. The average interest rate remunerated on non-financial corporations' short-term deposits was 50 basis points higher than that paid on household sector short-term deposits.*

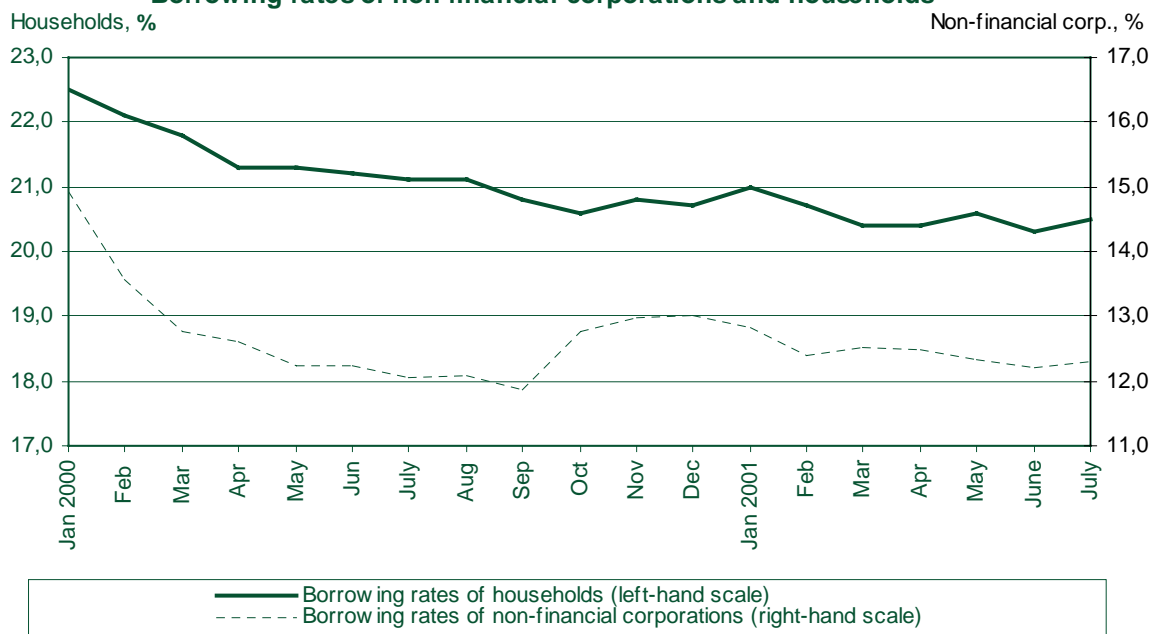
*Turnover in the forint interbank market amounted to Ft 1,464.7 billion, showing an increase of Ft 46.4 billion relative to June. The monthly averages of interest rates fell at maturities of less than two weeks, those at longer maturities rising slightly.*

<sup>1</sup> Interest rates published in the previous press release have been revised. Interest rates on non-financial corporations' discounted bills for April, those on deposits fixed for terms of less than a month and on short and long-term deposits for May, and long-term deposit rates for June have been changed. Household sector average borrowing rates for May–June also have been changed.

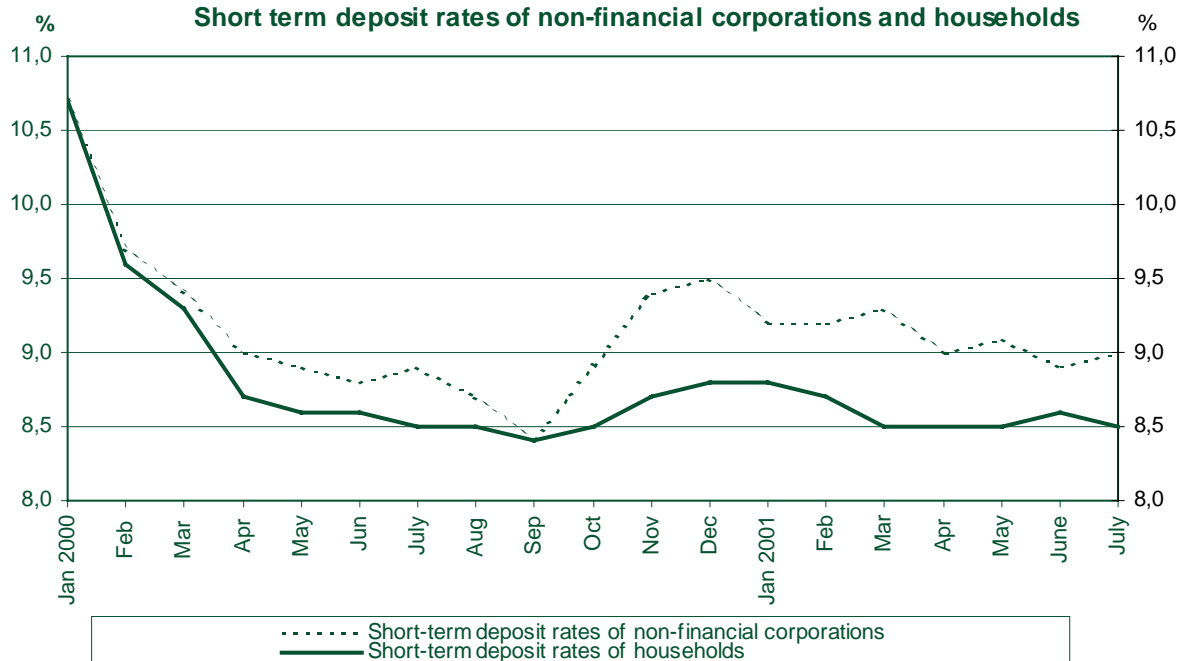
<sup>2</sup> Average borrowing rates facing the two sectors are determined on the basis of all new borrowing deals transacted in the course of the month.

The banking sector average of non-financial corporations' short-term borrowing rates, negotiated at market conditions, rose by 20 basis points to 12.3%, that of short-term deposit rates rising from 8.9% to 9.0%. As a result, the averages of short-term borrowing and deposit rates returned to May's level. The short-term banking spread was 3.3 percentage points. As regards long-term borrowing and deposit rates, which have a less important role in the market of non-financial corporations sector debts and deposits, the banking sector average of borrowing interest rates fell from 12.5% to 12.4% and that of long-term deposit rates rose from 9.2% to an average 9.5%.

### Borrowing rates of non-financial corporations and households

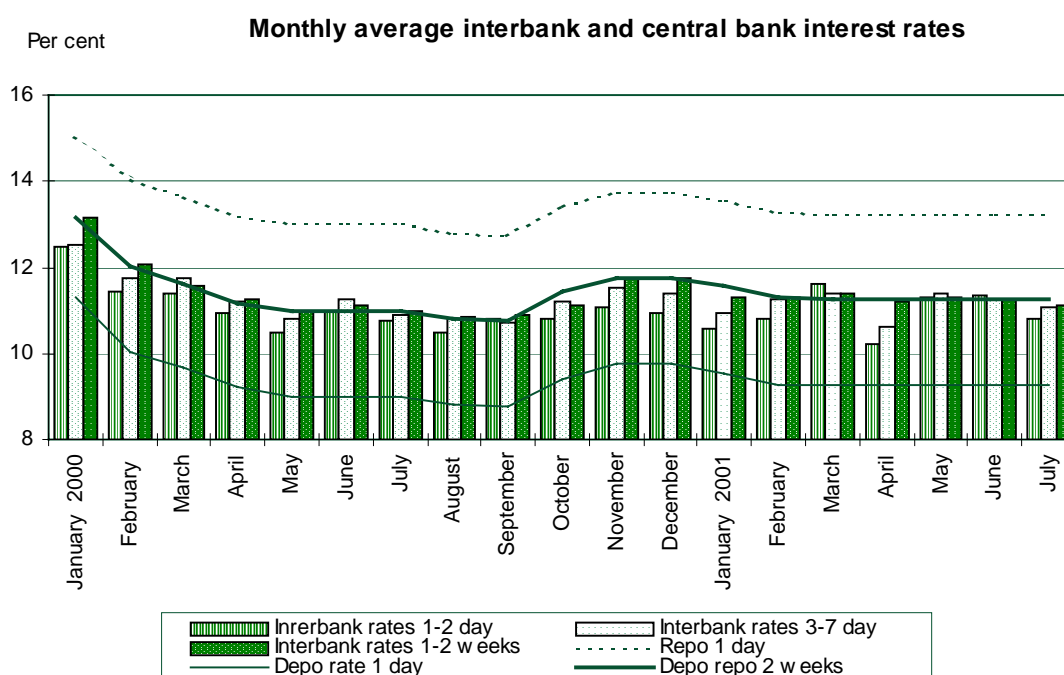
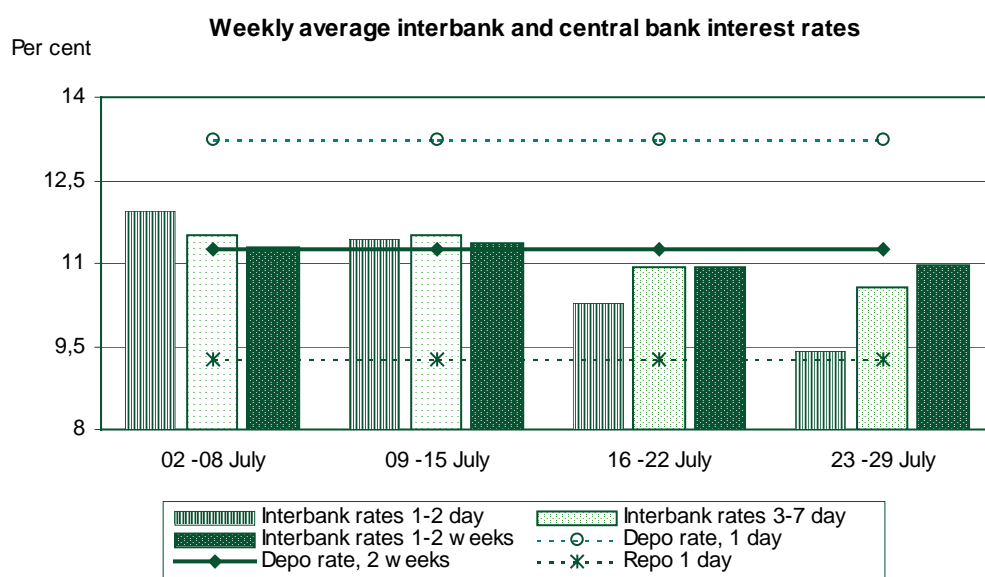


### Short term deposit rates of non-financial corporations and households



Household sector average borrowing rates changed from 20.3% to 20.5%, as a result of an increase in the proportion of consumer credit, bearing higher interest rates, within total borrowing in the month. The average of property loan rates, charged at market conditions, rose from 16.1% to 16.2%. The average interest rate on consumer credit and other loans rose comparably, from 21.1% to 21.2%.

The averages of household sector sight and short-term deposit rates were 10 basis points lower than in the preceding month. Average sight deposit rates were 3.3% and average short-term deposit rates 8.5%, remaining unchanged relative to May. Average long-term deposit rates rose from 9.3% to 9.4%.



The average of interest rates at maturities of less than two weeks fell in the interbank forint market in July. The average 1–2 day rate was 10.8%, down 60 basis points on the preceding month's level. However, the percentage share of this maturity area fell by 2.4 percentage points to 87.6%. The proportion of 3–7 day deals within the total was 4.5%, showing a 0.5 of a percentage point drop relative to June. The average rate in this maturity bracket saw a 20 basis-point change to 11.1%. The share of turnover between 1–2 weeks fell, to account for 1.6% of all transactions. That meant a drop of 0.7 of a percentage point in comparison with the preceding month. The average interest rate in this maturity area remained unchanged at 11.1%. Interest rates Transactions at maturities extending beyond two weeks rose. Their combined share was 6.3%, accompanied by an average interest rate of 11.4%.

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

**NON-FINANCIAL CORPORATIONS<sup>a)</sup> SECTOR FORINT AVERAGE  
BORROWING AND DEPOSIT RATES<sup>b)</sup>**

Per cent

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

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).

**HOUSEHOLD SECTOR BORROWING AND DEPOSIT RATES<sup>a)</sup>**

Per cent

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

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.