

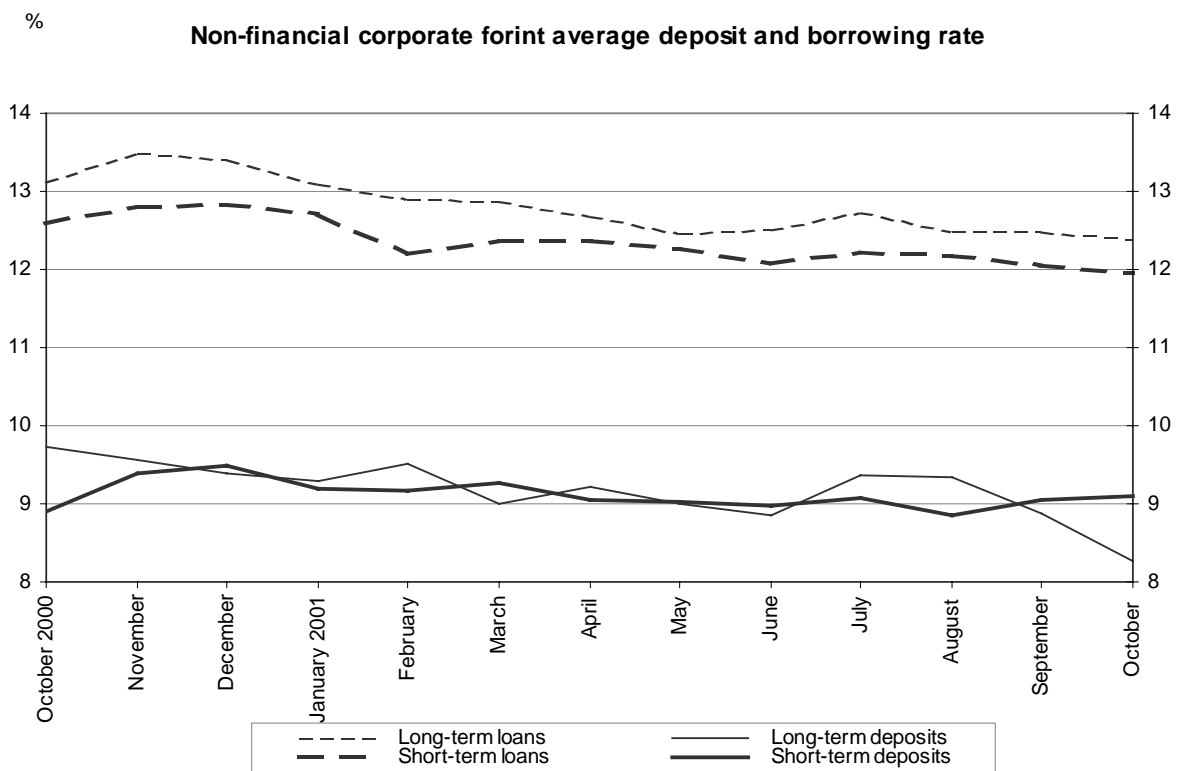
3 December 2001

## PRESS RELEASE

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

October 2001

*In October, of average non-financial corporate sector borrowing and deposit rates<sup>1</sup> only the rates on deposits with a maturity in excess of one year fell considerably relative to the preceding month. The downward trend seen over the past year continued, leading to a narrowing of the difference between short-term borrowing and deposit rates to below 3 percentage points. Within household sector borrowing, average rates on property loans provided under market conditions decreased significantly, while deposit rates remained virtually unchanged. Average rates in the forint interbank market fell slightly.*



The average of interest rates on short-term loans provided to the non-financial corporate sector under market conditions fell from 12.04% to 11.95%, and the average rates on long-term loans changed from 12.49% to 12.39%. The sector's average of short-term deposit rates rose from 9.05% to 9.09%, while those on long-term deposits fell by 63 basis points from 8.89% to 8.26%, due to changes in composition. As regards short-term borrowing and

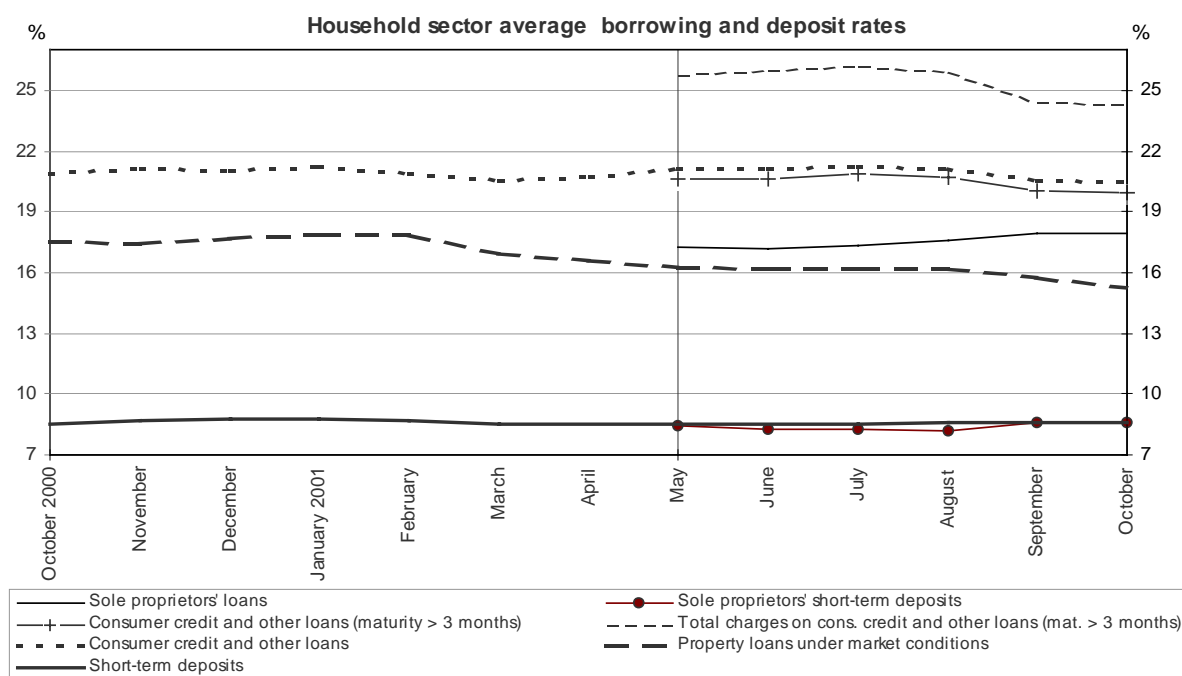
<sup>1</sup> When computing the average rates for the individual sectors, deposits and credits during the month under review are applied as weights. The rates do not contain additional costs (such as fees).

deposit rates, which have a more important role in the market of non-financial corporations' debts and deposits, the spread between average rates amounted to 2.86 percentage points.

Among borrowing rates of individuals, who constitute a part of the household sector, the average of interest rates on property loans, provided under market conditions, fell from 15.78% to 15.28% and that of rates on consumer credit and other loans from 20.55% to 20.44%. Both decreases were caused primarily by changes in banks' interest rate conditions.

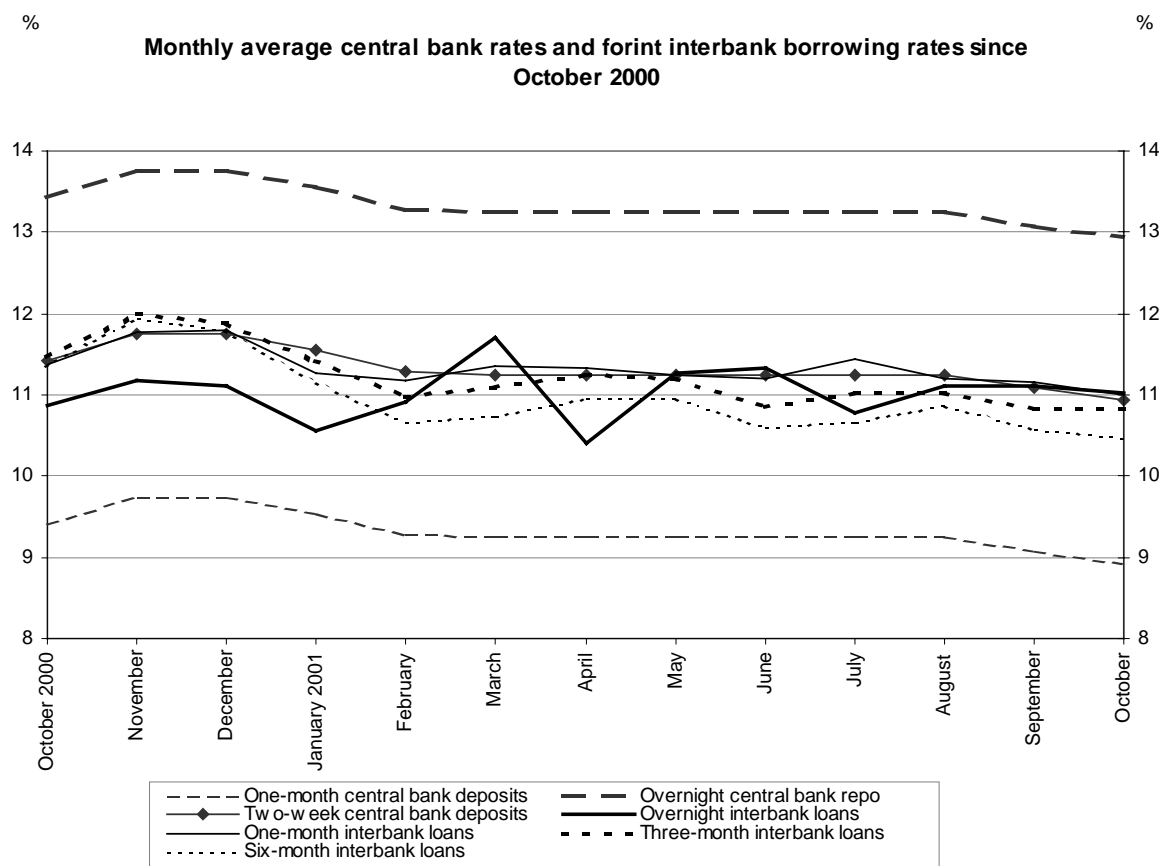
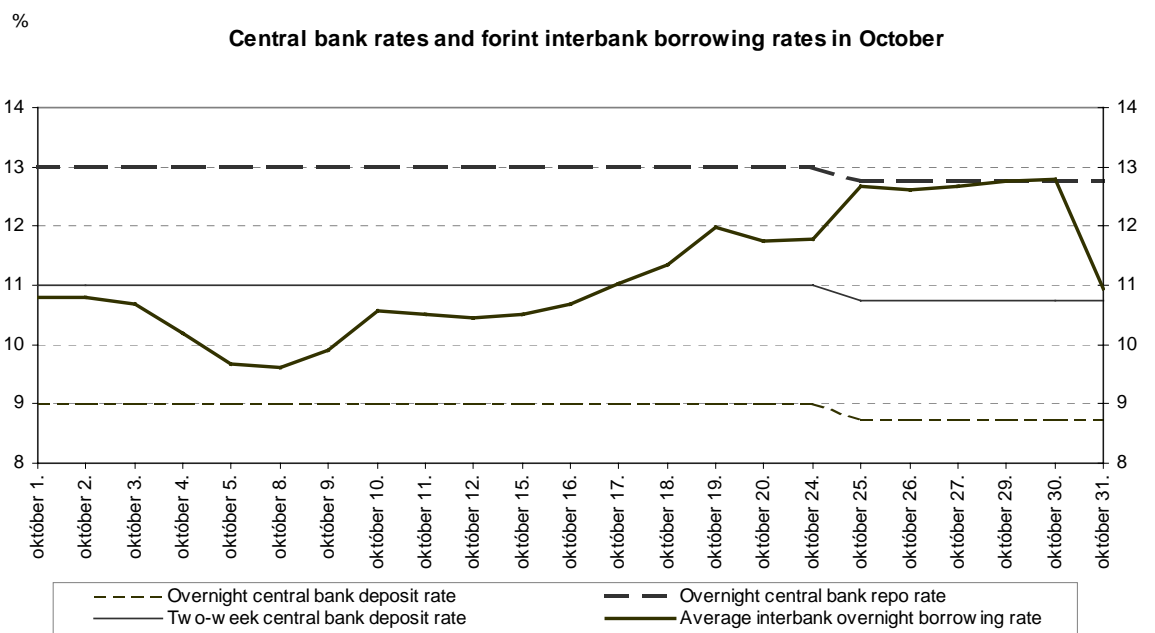
The average interest rate on consumer credit and other loans provided with maturities of more than three months fell from 19.99% to 19.95%, and the average total charge<sup>2</sup>, at 24.28%, was 13 basis points lower in October.

Individuals' average sight deposit rates rose from 3.33% to 3.42%, while those on short-term deposits remained at the level of the previous month (8.57%). Average long-term deposit rates fell from 9.30% to 9.22%.



The average interest rate on lending to sole proprietors, constituents of the household sector, remained unchanged (at 17.95%) relative to the previous month. The average sight deposit rate fell from 1.81% to 1.74% and the average short-term deposit rate rose from 8.59% to 8.63%.

<sup>2</sup> Total charges on lending for the individual loan types weighted by the loans extended during the month under review.



Forint interbank turnover amounted to Ft 1,392.3 billion, showing an increase of Ft 110.4 billion relative to the preceding month. The daily average of interest rates on overnight loans rose gradually from a low level at the beginning of the month, and, from the middle of the month, it settled near the upper boundary of the interest rate corridor. Despite the lowering of the central bank base rate on 25 October, as a result of a liquidity shortfall in the market, overnight rates stayed close to the overnight central bank repo rate during the final week of the month. On 31 October, they returned to the middle of the interest rate corridor, due to the maturing of central bank deposits. October's average overnight interest rate changed

from 11.10% to 11.03%. The average of borrowing rates for one month fell 14 basis points to 11.01%. The three-month average interest rate remained unchanged (10.83%). Six-month borrowing rates fell from 10.59% to 10.47% on average.

\* \* \* \* \*

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

## Appendix 1

### NON-FINANCIAL CORPORATE SECTOR FORINT AVERAGE BORROWING AND DEPOSIT RATES<sup>a)</sup>

Per cent

	2000				2001								
	Oct.	Nov.	Dec.	Jan.	Feb.	March	Apr.	May	June	July	Aug.	Sept.	Oct.
Loans													
Short-term loans	12,59	12,80	12,83	12,70	12,19	12,36	12,37	12,27	12,08	12,22	12,17	12,04	11,95
Long-term loans	13,11	13,48	13,42	13,10	12,91	12,87	12,69	12,45	12,51	12,72	12,50	12,49	12,39
Discounted bills	12,25	12,44	12,89	12,60	12,34	12,61	12,45	12,34	12,06	11,87	12,30	11,71	11,61
Time deposits													
Short-term deposits	8,90	9,38	9,49	9,20	9,16	9,28	9,04	9,02	8,98	9,08	8,85	9,05	9,09
Less than one month	8,84	9,34	9,43	9,20	9,15	9,25	8,97	9,00	8,96	9,06	8,79	9,03	9,05
1 month<maturity=<1 year	9,26	9,75	9,88	9,50	9,31	9,47	9,62	9,20	9,27	9,19	9,36	9,30	9,45
Long-term deposits	9,73	9,57	9,40	9,30	9,52	9,00	9,22	9,01	8,86	9,38	9,35	8,89	8,26
Settlement account deposits													
Minimum	1,00	1,00	0,69	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00	0,80	1,00
Maximum	12,50	12,90	12,90	12,30	12,00	12,00	12,00	11,50	12,30	11,80	11,60	11,80	11,80

a) Does not include interest rates for sole proprietors from May 2001. Data for sole proprietors account for an insignificant role within average rates, therefore, the time series are homogenous from a statistical perspective.

b) Weighted monthly average. Data on contracts concluded by banks and specialised credit institutions with non-financial corporations under market conditions in the given month. Borrowing rates do not include additional costs of loans (e.g. fees).

### HOUSEHOLD SECTOR FORINT AVERAGE BORROWING AND DEPOSIT RATES

Per cent

	2000			2001										Per cent
	Oct	Nov	Dec	Jan	Feb	March	Apr	May	June	July	Aug	Sept	Oct	
	HOUSEHOLDS													
Loans														
Property loans at market conditions <sup>a)</sup>	17,50	17,43	17,70	17,86	17,82	16,95	16,57	16,26	16,15	16,18	16,14	15,78	15,28	
Consumer credit and other loans <sup>b)</sup>	20,88	21,11	20,99	21,21	20,88	20,57	20,70	21,08	21,09	21,21	21,10	20,55	20,44	
Short-term consumer credit and other	20,72	20,99	20,75	21,24	20,88	20,70	20,93	21,05	21,09	21,16	21,11	20,05	19,85	
Long-term consumer credit and other	21,14	21,29	21,37	21,16	20,89	20,37	20,42	21,11	21,07	21,27	21,09	21,34	21,36	
Deposits														
Sight deposits	3,33	3,35	3,46	3,72	3,37	3,37	3,36	3,32	3,42	3,31	3,20	3,33	3,42	
Short-term deposits	8,49	8,68	8,77	8,81	8,66	8,52	8,53	8,50	8,53	8,53	8,61	8,58	8,57	
Less than one month	8,31	8,53	8,63	8,65	8,49	8,34	8,36	8,30	8,35	8,36	8,39	8,36	8,31	
1 month<maturity=<3 months	9,19	9,33	9,48	9,49	9,54	9,39	9,35	9,50	9,45	9,35	9,56	9,60	9,60	
3month<maturity=<1 year	8,91	9,04	8,67	9,01	8,83	8,88	8,89	8,88	8,77	8,79	8,80	8,82	8,73	
Long-term deposits	9,01	8,85	8,88	8,86	9,16	8,91	8,93	9,00	9,30	9,41	9,31	9,30	9,22	
	SOLE PROPRIETORS													
Loans	..	..	..	..	..	..	..	17,24	17,13	17,33	17,63	17,94	17,95	
Deposits														
Sight deposits	..	..	..	..	..	..	..	1,86	1,83	1,74	1,74	1,81	1,74	
Short-term deposits	..	..	..	..	..	..	..	8,47	8,27	8,27	8,15	8,59	8,63	

a) Housing loans (building, property, renovation and addition) and other (holiday homes, garages) provided under market conditions with or without mortgage.

b) Includes overdrafts, personal loans, Lombard loans, instalment credit, car purchase loans, mortgage loans etc.

## Appendix 2

### Changes in household sector average rates<sup>a)</sup> on consumer credit and other loans and in total charges on loans<sup>b)</sup>

Per cent

	2001					
	May	June	July	Aug	Sept	Oct
<b>Overdrafts</b>						
Average interest rate	20,11	20,09	20,33	20,27	18,89	19,00
Average total charge	26,56	26,53	26,82	26,75	23,98	24,14
<b>Personal loans</b>						
Average interest rate	23,88	23,57	23,15	22,99	23,08	23,11
Average total charge	29,12	29,65	28,72	28,68	28,64	28,49
<b>Lombard loans</b>						
Average interest rate	17,89	17,35	18,09	16,92	17,25	17,78
Average total charge	20,25	19,73	20,94	19,81	20,59	19,84
<b>Instalment credit</b>						
Average interest rate	27,05	28,09	28,17	27,34	27,93	27,37
Average total charge	30,64	32,38	32,55	32,04	32,07	32,40
<b>Car purchase loans</b>						
Average interest rate	19,88	19,82	19,76	19,93	19,92	19,19
Average total charge	22,40	22,40	22,28	22,47	22,33	20,47
<b>Mortgage loans</b>						
Average interest rate	18,70	18,77	18,66	18,72	18,64	18,66
Average total charge	21,19	21,07	21,21	20,95	20,66	20,11
<b>Other loans</b>						
Average interest rate	17,37	16,70	16,82	17,64	16,69	16,24
Average total charge	20,49	21,10	22,29	19,30	19,95	20,57
<b>Total consumer credit and other loans</b>						
Average interest rate	20,62	20,61	20,82	20,67	19,99	19,95
Average total charge	25,76	25,95	26,15	25,93	24,41	24,28

a) The Table includes only data on loans with maturities of more than 3 months.

b) Total charges on the various facilities weighted by lending in the given month.

### Composition of household sector consumer credit and other loans<sup>a)</sup> – percentage of shares of loans within total outstanding debt

Per cent

	2001					
	May	June	July	Aug	Sept	Oct
<b>Consumer and other loans</b>						
Overdraft	52,20	52,70	53,61	54,95	54,21	56,07
Personal loans	12,59	12,96	12,53	12,16	12,90	11,29
Lombard loans	3,00	3,44	2,19	1,61	2,07	2,21
Instalment credit	5,63	5,46	7,00	6,46	6,62	6,91
Car purchase loans	7,99	7,79	7,13	6,15	6,12	6,28
Mortgage loans	17,78	16,74	16,06	16,69	16,99	16,37
Other loans	0,80	0,90	1,49	0,90	1,10	0,87
<b>Total</b>	100,00	100,00	100,00	100,00	100,00	100,00

a) The Table includes only data on loans with maturities of more than 3 months.

**Differential between short term average deposit and borrowing rates of non-financial corporations**

