

2 July 2002

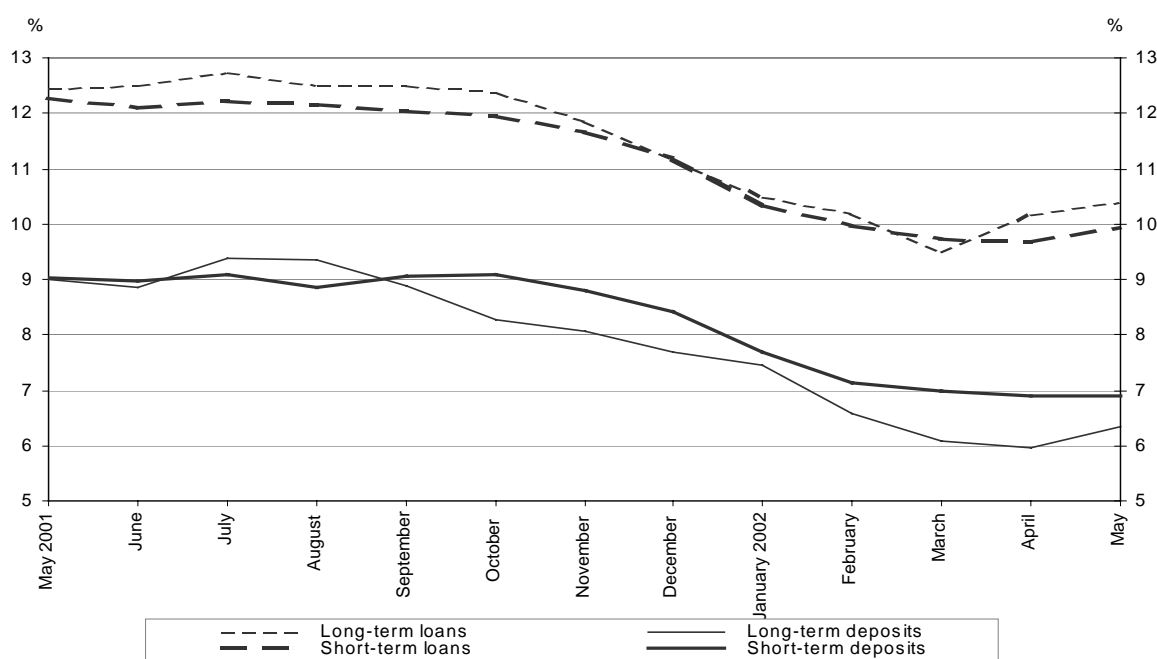
PRESS RELEASE

Non-financial corporate and household sector forint interest rates, interbank lending rates

May 2002

The averages of non-financial corporate sector borrowing rates and long-term deposit rates¹ rose slightly in May. In contrast, household sector average borrowing rates fell, whereas deposit rates remained static.

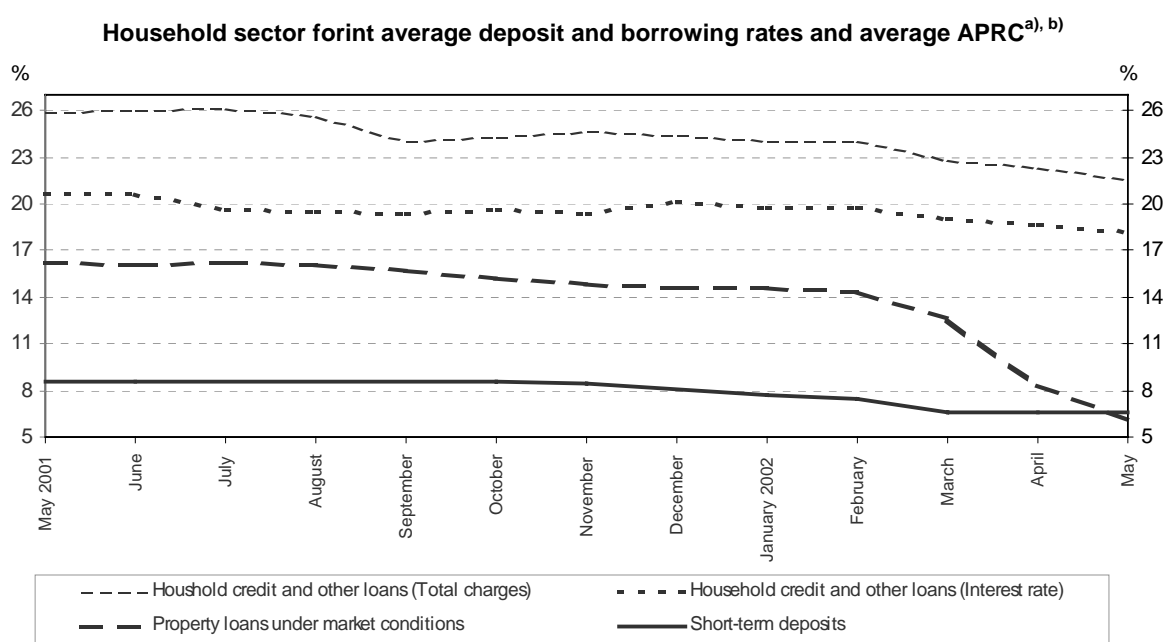
Non-financial corporate sector forint average deposit and borrowing rates



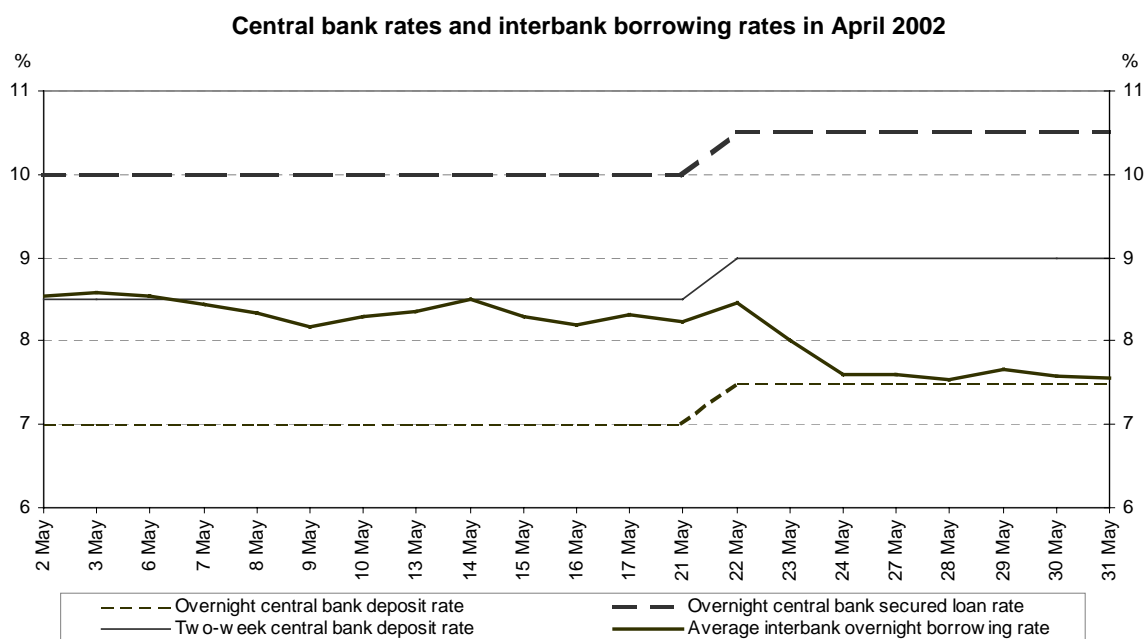
The average of interest rates on short-term loans provided to the non-financial corporate sector under market conditions rose 25 basis points, from 9.68% to 9.93%. The average long-term interest rate also rose 25 basis points, from 10.16% to 10.41%. Both rises were due to changes in interest rate conditions. The sector's average of short-term deposit rates fell 1 basis point, from 6.90% to 6.89%, that of long-term deposit rates rising 40 basis points, from 5.95% to 6.35%, on account of a change in the composition of deposits. The spread between interest rates on short-term loans and deposits, which play a major role for non-financial corporations, changed from 2.78 percentage points to 3.04 percentage points relative to April.

¹ Depositing and lending during the month are applied as weights to calculate average rates and APRC for the individual sectors. The rates do not contain any additional charges (such as fees).

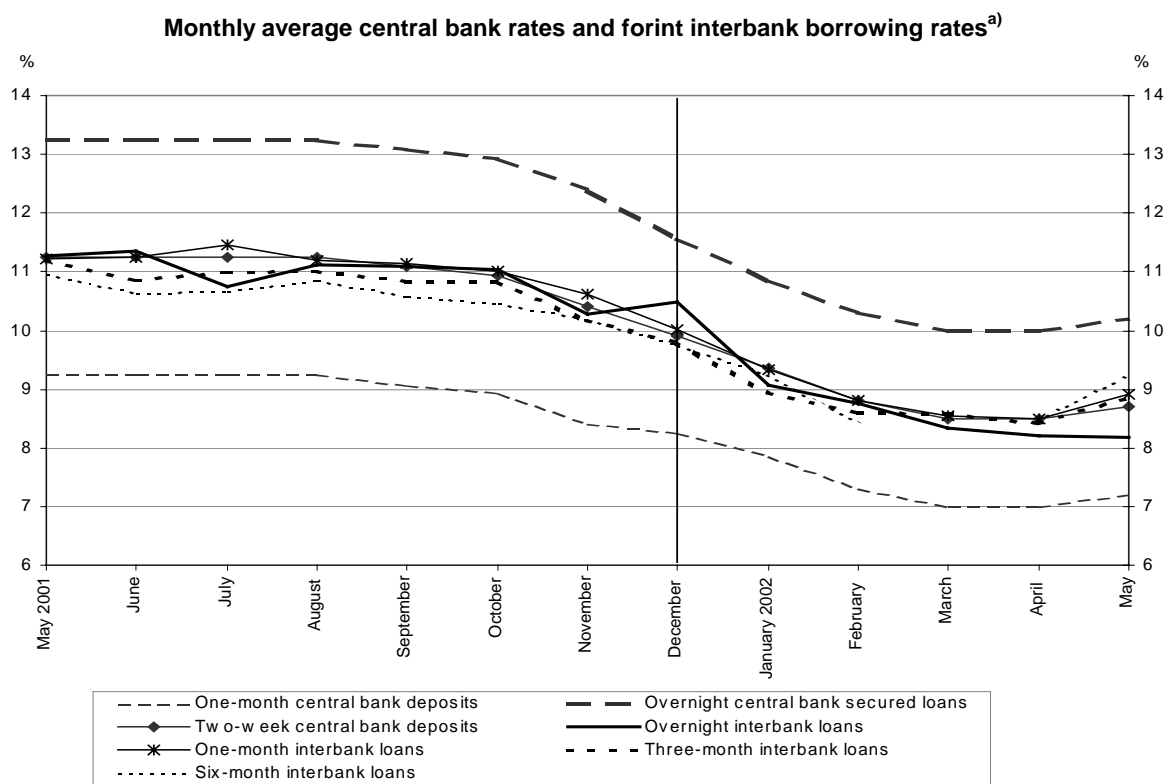
Household sector² average interest rates on property loans provided under market conditions fell significantly, by 229 basis points, from 8.37% to 6.08%, due to changes in interest rate conditions. The APRC for property loans, at 6.40%, was 242 basis points lower, falling from 8.82% in April. Average rates on consumer credit and other loans fell 53 basis points, from 18.68% to 18.15%, due to changes in the composition of outstanding loans. The APRC for consumer credit and other loans was 71 basis points lower, down from 22.34% to 21.63%. Households' average sight deposit rate remained unchanged at 2.14%. The average short-term deposit rate changed 2 basis points, rising from 6.64% to 6.66%. The average long-term deposit rate fell 1 basis point, from 7.02% to 7.01%.



- a) For the period up to December 2001, the APRC for household consumer credit and other loans contain data only on household borrowing for maturities longer than three months.
- b) From May 2001, household borrowing and deposit rates include data on sole proprietors as well.



² From May 2001, household sector borrowing and deposit rates include data on sole proprietors as well. However, the APRC for loans to sole proprietors is only available from January 2002.



a) The interest rate corridor narrowed from 400 basis points to 300 basis points as of 11 December 2001.

Forint interbank turnover amounted to Ft 1,211.9 billion in May, Ft 126 billion lower than in the preceding month. Movements in the daily averages of interest rates on overnight loans were even. The average interbank overnight interest rate fell 2 basis points, from 8.20% to 8.18%. In contrast, the average borrowing rate for one month rose 41 basis points, from 8.50% to 8.91%, relative to April. At three months, the average interest rate was 45 basis points higher, rising from 8.40% to 8.85%. The six-month average borrowing rate rose 74 basis points, from 8.48% in the preceding month to 9.22%.

* * * * *

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

Appendix 1

Non-financial corporate sector^{a)} forint average^{b)} borrowing and deposit rates

Per cent

	2001								2002				
	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Loans													
Short-term loans ^{c)}	12,27	12,08	12,22	12,17	12,04	11,95	11,66	11,18	10,35	9,98	9,74	9,68	9,93
Long-term loans	12,45	12,51	12,72	12,50	12,49	12,39	11,85	11,15	10,48	10,19	9,48	10,16	10,41
Time deposits													
Short-term deposits	9,02	8,98	9,08	8,85	9,05	9,09	8,81	8,40	7,69	7,14	6,97	6,90	6,89
Less than one month	9,00	8,96	9,06	8,79	9,03	9,05	8,79	8,40	7,67	7,14	6,97	6,88	6,85
1 month<maturity=<1 year	9,20	9,27	9,19	9,36	9,30	9,45	9,05	8,38	7,88	7,17	7,02	7,13	7,22
Long-term deposits	9,01	8,86	9,38	9,35	8,89	8,26	8,08	7,70	7,45	6,59	6,08	5,95	6,35
Settlement account deposits													
Minimum	1,00	1,00	1,00	1,00	0,80	1,00	0,50	0,50	0,50	0,10	0,10	0,08	0,08
Maximum	11,50	12,30	11,80	11,60	11,80	11,80	12,00	12,00	11,00	10,75	10,75	10,75	10,75

- 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).
- c) The interest rates on the discounted bills were recorded under the short-term loans until December 2001.

Amount of new business^{a)} with non-financial corporates^{b)}

Ft millions

	2001								2002				
	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Loans													
Short-term loans ^{c)}	523 185	409 806	400 448	356 280	426 227	543 505	472 005	518 429	130 861	113 525	142 461	161 004	147 907
Long-term loans	243 668	175 433	227 974	176 767	241 085	289 384	292 247	357 343	57 801	32 280	43 480	51 695	45 794
Time deposits													
Short-term deposits	813 654	920 098	737 326	915 580	880 301	1 225 677	1 149 453	932 236	1 020 490	1 011 271	1 085 659	937 509	1 093 506
Less than one month	717 797	848 670	646 422	814 328	811 523	1 093 992	1 067 216	836 788	917 683	950 363	944 453	850 997	973 032
1 month<maturity=<1 year	95 857	71 428	90 904	101 252	68 778	131 685	82 237	95 448	102 807	60 908	141 206	86 512	120 473
Long-term deposits	1 267	1 649	1 214	1 052	795	1 097	1 326	1 689	1 451	1 243	889	816	629

- a) Data on contracts concluded by banks and specialised credit institutions with non-financial corporations under market conditions in the given month.
- b) Does not include interest rates for sole proprietors from May 2001. Data for sole proprietors account for an insignificant role, therefore, the time series are homogenous from a statistical perspective.
- c) The interest rates on the discounted bills were recorded under the short-term loans until December 2001.

Appendix 2

Household sector forint average borrowing and deposit rates^{a)}

Per cent

	2001								2002				
	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Loans													
Property loans at market conditions ^{b)}	16,19	16,11	16,12	16,10	15,74	15,18	14,78	14,63	14,57	14,36	12,56	8,37	6,08
Consumer credit and other loans ^{c)}	20,66	20,61	19,64	19,49	19,38	19,61	19,38	20,15	19,81	19,69	18,95	18,68	18,15
Short-term consumer credit and other	20,52	20,50	18,80	18,82	18,55	18,74	18,30	19,54	18,93	19,01	18,15	18,20	18,33
Long-term consumer credit and other	20,89	20,81	20,87	20,53	20,76	21,15	21,24	21,43	21,72	20,94	20,76	19,45	17,87
Deposits													
Sight deposits	3,19	3,27	3,20	3,05	3,16	3,21	3,26	2,92	2,75	2,42	2,20	2,14	2,14
Short-term deposits	8,51	8,54	8,56	8,57	8,55	8,54	8,39	8,09	7,76	7,50	6,66	6,64	6,66
Less than one month	8,30	8,35	8,40	8,37	8,35	8,30	8,19	7,94	7,62	7,47	6,54	6,58	6,61
1 month<maturity<=3 months	9,49	9,45	9,51	9,57	9,58	9,58	9,52	8,91	8,74	7,82	7,42	7,10	7,05
3month<maturity<=1 year	8,95	8,87	8,92	8,97	8,98	8,90	8,61	8,09	7,78	7,52	7,01	6,83	6,84
Long-term deposits	8,75	9,09	9,11	8,89	8,77	8,73	8,68	8,30	8,24	7,66	7,14	7,02	7,01

a) Data on contracts concluded by banks and specialised credit institutions with households under market conditions in the given month.

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

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

Amount of new business with households^{a)}

Forint millions

	2001								2002				
	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Loans													
Property loans at market conditions ^{b)}	6 727	10 498	9 366	8 464	7 968	9 459	5 826	5 855	4 148	4 612	6 309	10 158	19 180
Consumer credit and other loans ^{c)}	67 787	64 938	69 645	69 119	65 273	77 795	72 774	80 584	65 845	69 127	70 224	80 457	83 108
Short-term consumer credit and other	42 780	41 241	41 474	41 728	40 610	49 805	46 013	54 736	45 086	44 569	48 734	49 685	51 031
Long-term consumer credit and other	25 008	23 697	28 171	27 391	24 663	27 990	26 761	25 848	20 759	24 559	21 489	30 772	32 077
Deposits													
Sight deposits	651 738	576 448	639 451	634 110	565 963	705 434	602 507	640 369	520 664	456 822	487 070	484 556	506 859
Short-term deposits	670 830	683 572	707 299	748 563	717 599	764 778	773 786	838 863	880 555	834 673	829 725	858 717	875 577
Less than one month	537 232	543 739	576 740	598 606	579 214	598 416	627 477	663 255	713 893	717 913	702 810	730 481	750 508
1 month<maturity<=3 months	95 352	99 939	84 763	107 290	99 567	122 660	98 726	114 712	99 212	74 202	87 080	79 030	70 115
3month<maturity<=1 year	39 246	39 895	45 795	42 666	38 818	43 702	47 583	60 895	67 449	42 557	39 835	49 207	54 953
Long-term deposits	9 632	8 184	6 484	7 840	6 125	8 317	8 798	20 411	13 708	10 643	9 014	10 164	9 869

a) Data on contracts concluded by banks and specialised credit institutions with households under market conditions in the given month.

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

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

Appendix 3

Changes in household sector average interest rate^{a)} on average total charge^{b)} of forint loans

Per cent

	2001								2002				
	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Overdrafts													
Average interest rate	20,12	20,10	20,34	20,27	18,98	19,07	18,95	18,90	18,43	18,76	17,78	17,78	17,79
Average total charge	26,58	26,53	26,82	26,75	23,98	24,14	23,82	23,79	22,24	22,96	21,07	21,28	21,19
Personal loans													
Average interest rate	23,73	23,46	22,74	20,60	20,86	23,66	23,12	22,89	22,50	22,12	22,08	22,92	21,99
Average total charge	29,12	29,66	29,16	25,91	26,23	29,78	28,24	27,81	27,67	28,32	28,04	27,70	27,63
Lombard loans													
Average interest rate	17,82	17,31	18,04	16,67	17,22	17,64	16,09	16,72	15,85	15,31	14,98	15,07	12,65
Average total charge	20,22	19,73	20,94	19,81	20,59	19,84	18,02	18,17	17,87	17,58	17,38	17,47	14,03
Instalment credit													
Average interest rate	27,05	28,06	28,15	27,31	27,90	27,54	27,95	28,97	27,44	28,71	28,02	27,80	27,87
Average total charge	33,45	34,61	35,15	33,88	33,90	34,25	34,54	35,14	35,73	35,68	35,39	35,00	34,65
Car purchase loans													
Average interest rate	19,75	19,69	19,60	19,79	19,76	19,22	18,56	17,93	18,55	18,62	17,58	16,71	16,62
Average total charge	21,82	22,40	22,28	22,47	22,39	20,84	20,31	18,54	20,29	20,78	19,77	18,54	17,93
Mortgage loans													
Average interest rate	18,64	18,72	18,59	18,68	18,61	18,60	18,44	18,59	18,64	18,51	18,21	17,31	17,15
Average total charge	21,15	21,05	20,37	20,79	20,14	19,39	20,85	20,99	22,91	22,60	22,16	22,04	22,08
Other loans													
Average interest rate ^{c)}	16,75	16,63	16,31	17,64	16,84	16,41	14,87	14,82	27,28	24,61	22,41	19,86	16,49
Average total charge	22,53	22,79	23,54	20,11	21,50	22,83	24,19	20,57	32,17	29,39	28,06	22,39	18,68
Total consumer credit and other loans													
Average interest rate	20,44	20,44	20,51	20,29	19,62	19,78	19,74	19,77	19,81	19,69	18,95	18,68	18,15
Average total charge	25,85	26,06	26,12	25,68	24,11	24,26	24,60	24,38	23,99	24,04	22,84	22,34	21,63
Market-related mortgage													
Average interest rate	..	..	..	..	..	..	..	..	14,57	14,36	12,56	8,37	6,08
Average total charge	..	..	..	..	..	..	..	..	15,46	15,02	13,17	8,82	6,40

a) From May to December 2001, rates on consumer credit and other loans comprise rates on lending to individuals and sole proprietors with a maturity of over three months. As of January 2002, rates on consumer credit and other loans apply to the whole household sector, and also include rates on loans with a maturity of less than three months.

b) For the period May to December 2001, total lending charges are only available on household consumer credit and other loans with a maturity of over three months.

c) The large gap between average interest rates on other loan types in 2001 and 2002 is explained by the high rates on other loans for periods shorter than three months, as average rates for the period prior to December 2001 do not cover loans for terms less than three months.

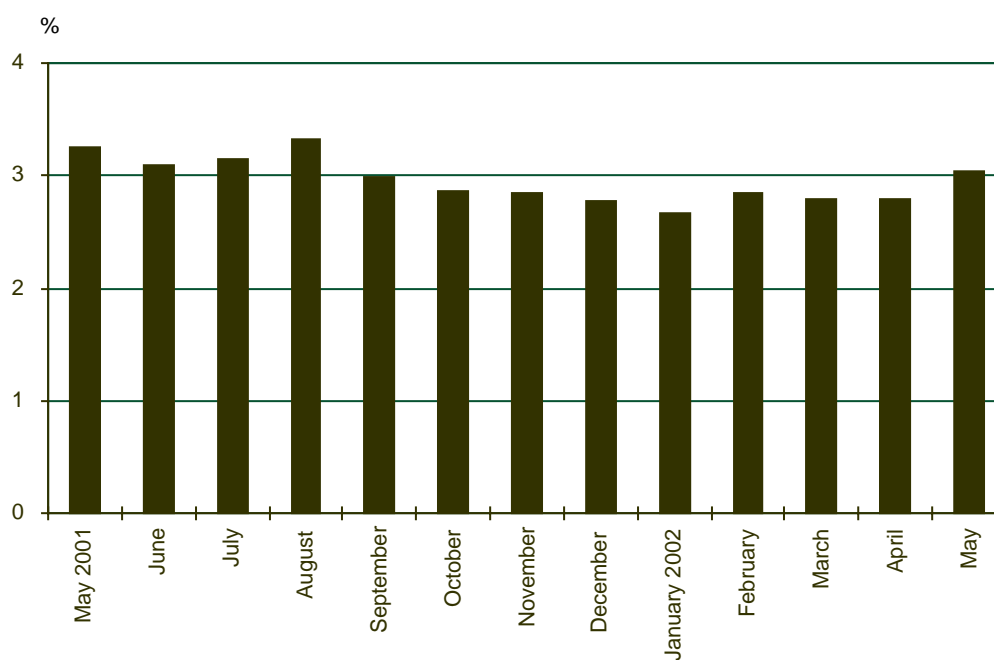
Composition of household sector consumer credit and other loans
– percentage of shares of loans within total outstanding debt^{a)}

Per cent

	2001								2002				
	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Consumer and other loans													
Overdraft	51,22	51,45	54,03	54,52	54,06	56,03	52,04	54,15	67,70	66,83	64,12	62,61	59,79
Personal loans	11,90	12,30	8,65	11,63	11,42	7,87	11,28	6,77	4,43	5,20	6,57	7,16	5,96
Lombard loans	2,83	3,25	2,14	1,66	1,95	2,19	1,99	1,85	1,44	1,60	1,51	1,58	2,09
Instalment credit	5,23	5,12	6,81	6,08	6,26	6,58	7,91	9,73	7,29	4,12	4,31	4,15	5,10
Car purchase loans	7,90	7,89	7,42	6,18	6,23	6,84	7,83	5,63	4,44	3,45	3,57	3,97	5,59
Mortgage loans	17,26	16,25	16,53	16,20	16,30	16,33	13,03	16,20	8,44	11,33	10,12	8,89	7,01
Other loans	3,66	3,75	4,42	3,72	3,80	4,16	5,92	5,67	6,27	7,46	9,81	11,65	14,47
Total	100,00	100,00	100,00	100,00	100,00	100,00	100,00	100,00	100,00	100,00	100,00	100,00	100,00

a) There are only THM (average total charge) to consumer credit and other loans with maturities of more than 3 months from May 2001 to December 2001.

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



Short term average rates

