

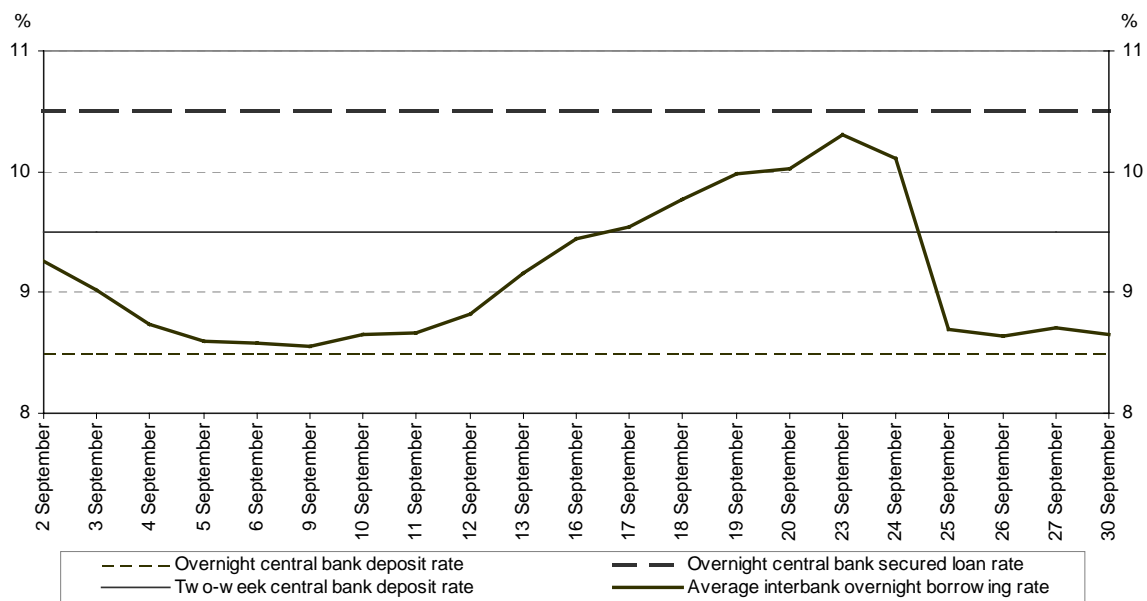
## PRESS RELEASE

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

September 2002

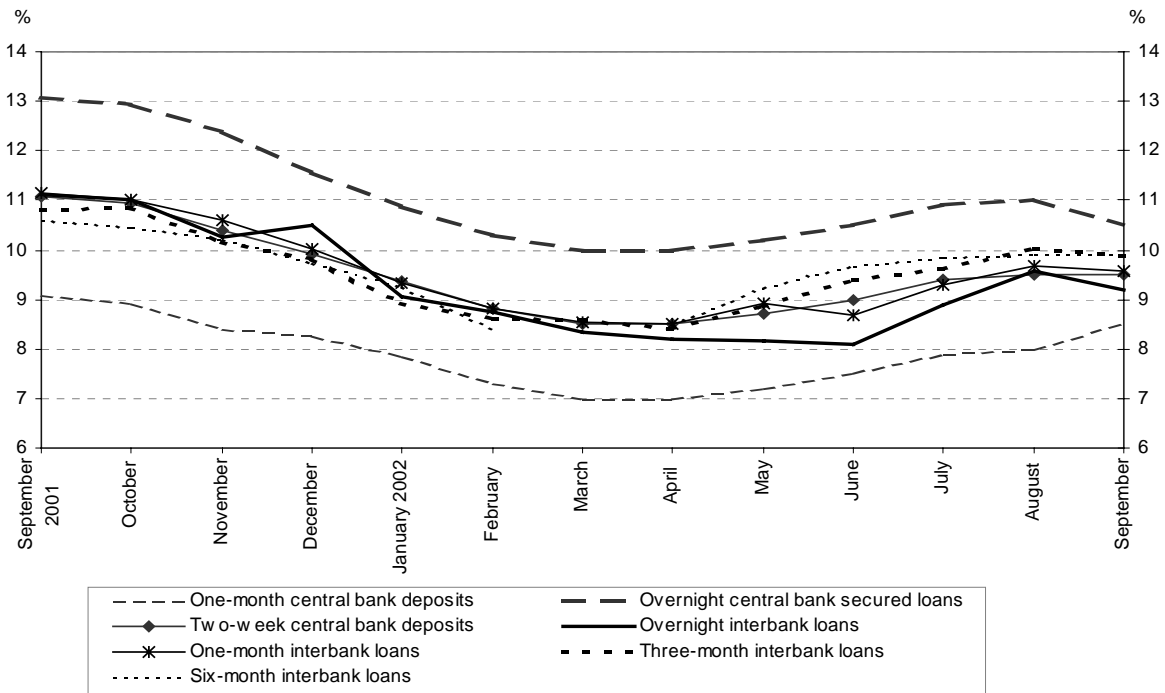
*In September 2002, forint interbank interest rates fell at every maturity. Non-financial corporations' short-term borrowing and deposit rates rose slightly, whereas long-term rates fell. Borrowing and deposit rates of the household sector remained virtually unchanged, except short-term rates on consumer credit and other loans, which fell.*

Central bank rates and interbank lending rates in August 2002



Forint interbank turnover amounted to Ft 1,384.7 billion in September, Ft 8.3 billion more than in the preceding month. The daily average of interest rates on overnight loans moved close to the bottom of the interest rate corridor in the first half of the month, then it turned upwards in the second half, before falling back again to the bottom of the interest rate corridor in the final days. The average rate on unsecured interbank lending fell at every maturity. The average overnight lending rate dropped 38 basis points, from 9.58% to 9.20%, the average lending rate for one month falling 10 basis points, from 9.68% to 9.58%, relative to August. At three months, the average interest rate was 15 basis points lower, falling from 10.03% to 9.88%. The six-month average borrowing rate saw a drop of 1 basis point, from 9.91% in the preceding month to 9.90% in September.

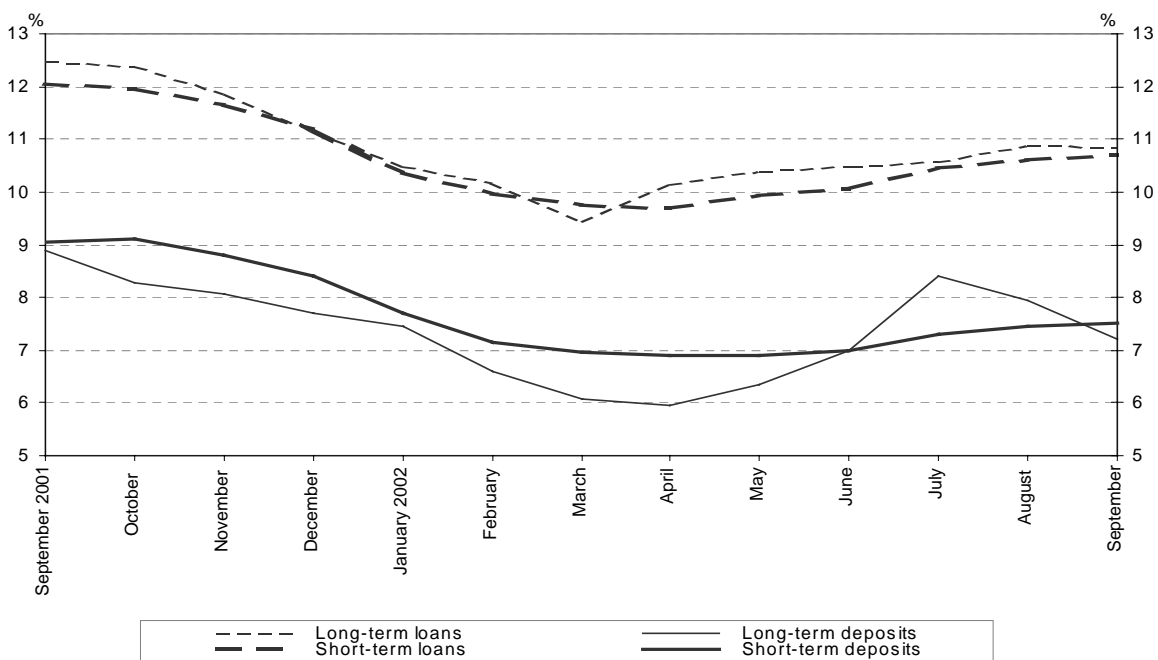
### Monthly average central bank rates and forint interbank lending rates<sup>a)</sup>



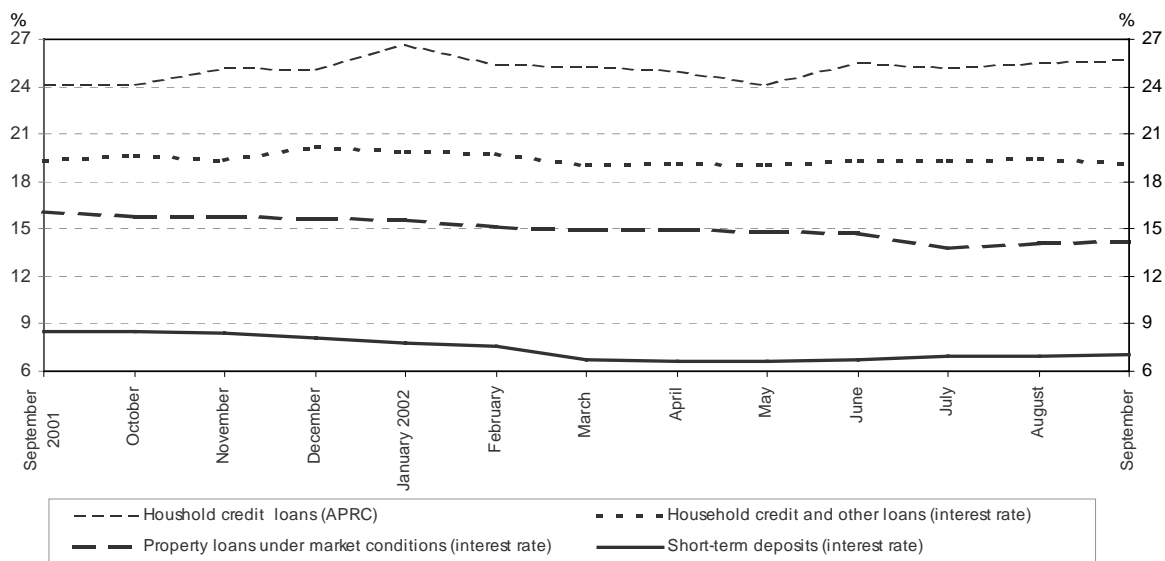
a) The interest rate corridor narrowed from 300 basis points to 200 basis points as of 1 September 2002.

The average of interest rates on short-term loans provided to non-financial corporations under market conditions rose 9 basis points, from 10.60% to 10.69%, that of interest rates on long-term loans falling 4 basis points, from 10.90% to 10.86%, both due to changes in the composition of outstanding loans. Caused also by changes in composition, the average short-term deposit rate rose 3 basis points, from 7.47% to 7.50%, and the long-term deposit rate fell 77 basis points, from 7.96% to 7.19%. (Turnover in long-term deposits is generally low and, therefore, the interest rate is more variable.) The spread between interest rates on short-term loans and deposits, which play a major role for non-financial corporations, changed from 3.13 percentage points to 3.19 percentage points relative to August.

### Non-financial corporate sector forint average deposit and borrowing rates



### Household sector forint average deposit and borrowing rates and average APRC<sup>a) b)</sup>



- a) For the period up to December 2001, the APRC for household consumer credit and other loans contain data only on household borrowing, excluding current accounts, for maturities longer than three months. For the period from January 2002, the chart shows the APRC for household consumer credit, excluding overdrafts.
- b) Property loans granted under market conditions do not include state-subsidised loans.

The average interest rate on property loans provided to the household sector<sup>1</sup> under market conditions rose 13 basis points, from 14.09% in August to 14.22% in September. The average rate on consumer credit and other loans fell 31 basis points, from 19.41% to 19.10%, due to changes in composition. The average rate on consumer credit<sup>2</sup> excluding overdrafts rose from 20.35% to 20.37%, with a 11 basis point increase in the APRC, from 25.58% to 25.69%. Households' average sight deposit rate remained unchanged at the preceding month's 2.44%. The short-term average deposit rate rose 9 basis points, from 6.93% to 7.02% and that of long-term deposit rates rose 22 basis points, from 7.07% to 7.29%.

\* \* \* \* \*

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

<sup>1</sup> The property loans granted under market terms do not include state-subsidised loans.

<sup>2</sup> This category includes personal loans, Lombard loans, hire purchase loans, car loans and non-housing mortgages.

## Appendix 1

### Non-financial corporate sector forint average<sup>a)</sup> borrowing and deposit rates

Percent

	2001				2002								
	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Jul	Aug	Szept
<b>Loans</b>													
Short-term loans <sup>b)</sup>	12,04	11,95	11,66	11,18	10,35	9,98	9,76	9,68	9,93	10,06	10,45	10,60	10,69
Long-term loans	12,49	12,39	11,85	11,15	10,48	10,19	9,45	10,16	10,41	10,48	10,58	10,90	10,86
<b>Time deposits</b>													
Short-term deposits	9,05	9,09	8,81	8,40	7,69	7,14	6,96	6,90	6,89	7,01	7,30	7,47	7,50
Less than one month	9,03	9,05	8,79	8,40	7,67	7,14	6,96	6,88	6,85	6,99	7,29	7,45	7,48
1 month<maturity=<1 year	9,30	9,45	9,05	8,38	7,88	7,17	7,00	7,13	7,22	7,30	7,42	7,60	7,76
Long-term deposits	8,89	8,26	8,08	7,70	7,45	6,59	6,08	5,95	6,35	6,99	8,41	7,96	7,19
<b>Settlement account deposits</b>													
Minimum	0,80	1,00	0,50	0,50	0,50	0,10	0,10	0,08	0,08	0,08	0,08	0,08	0,08
Maximum	11,80	11,80	12,00	12,00	11,00	10,75	10,75	10,75	10,75	10,75	11,63	9,99	9,64

a) 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).

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

### Amount of new business with non-financial corporates<sup>a)</sup>

Forint billions

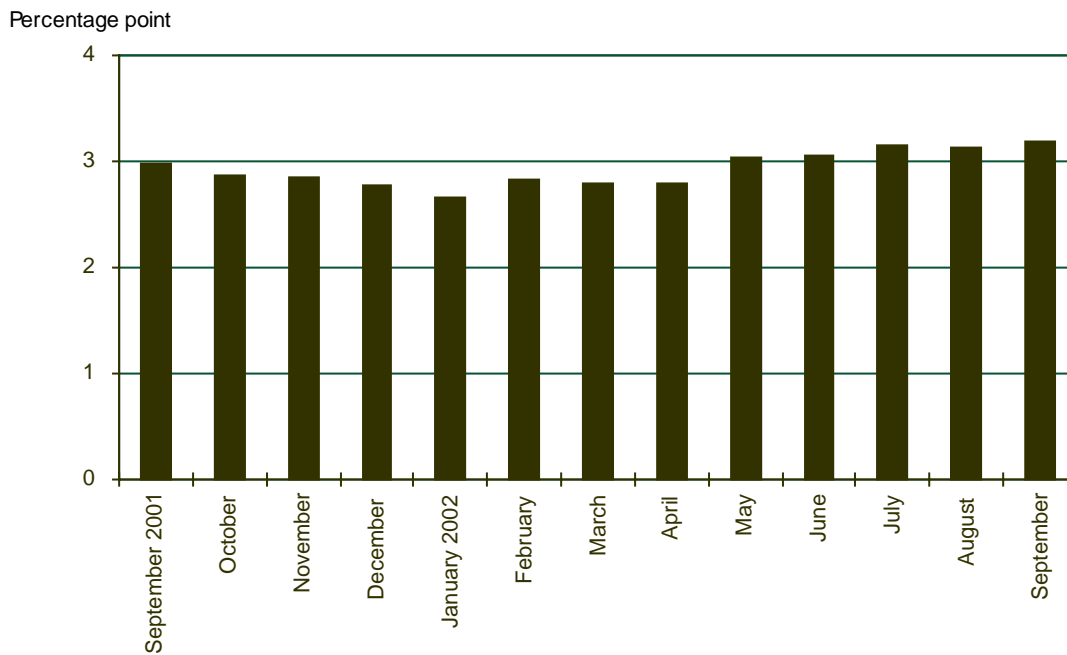
	2001				2002								
	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Jul	Aug	Szept
<b>Loans<sup>c)</sup></b>													
Short-term loans <sup>b)</sup>	426,2	543,5	472,0	518,4	130,9	113,5	142,5	161,0	147,9	150,9	169,8	123,9	119,3
Long-term loans	241,1	289,4	292,2	357,3	57,8	32,3	43,5	51,7	45,8	54,0	45,5	34,7	45,8
<b>Time deposits</b>													
Short-term deposits	880,3	1.225,7	1.149,5	932,2	1.020,5	1.011,3	1.085,7	937,5	1.093,5	1.139,3	1.291,3	1.252,6	1.265,8
Less than one month	811,5	1.094,0	1.067,2	836,8	917,7	950,4	944,5	851,0	973,0	1.076,6	1.189,4	1.149,4	1.186,8
1 month<maturity=<1 year	68,8	131,7	82,2	95,4	102,8	60,9	141,2	86,5	120,5	62,6	101,8	103,2	79,0
Long-term deposits	0,8	1,1	1,3	1,7	1,5	1,2	0,9	0,8	0,6	0,8	1,9	1,0	1,4

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

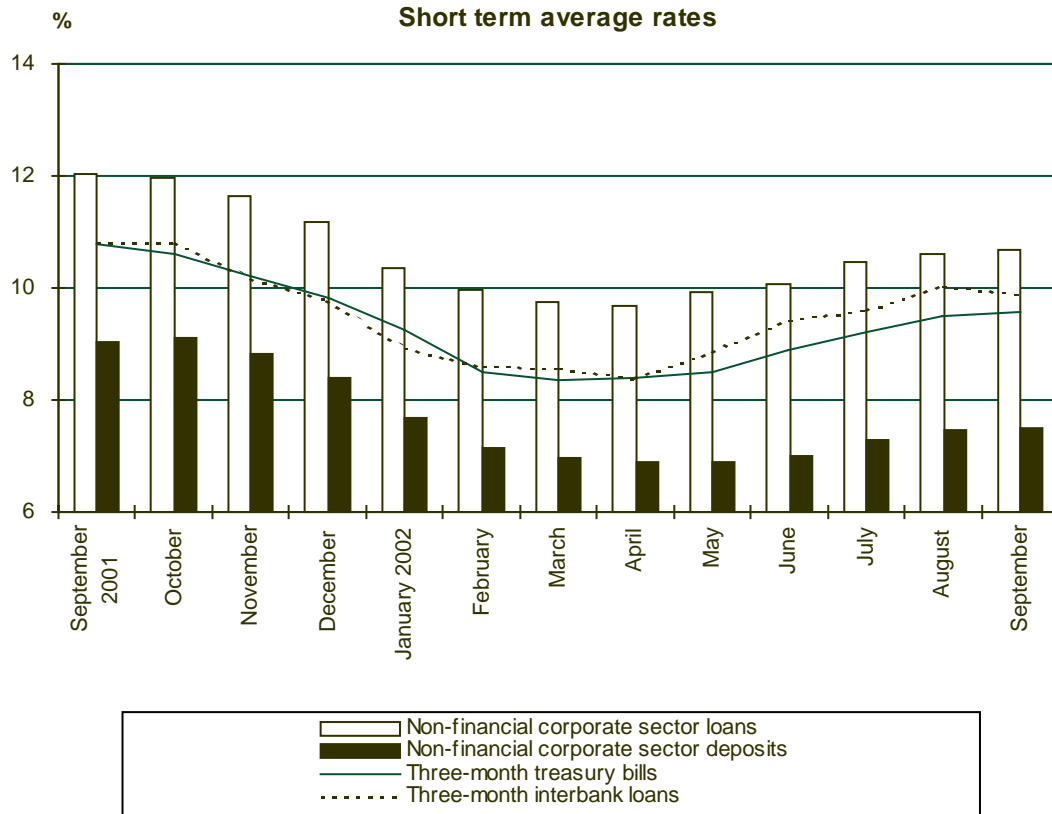
b) The interest rates on the discounted bills were recorded under the short-term loans until December 2001.

c) Since January 2002 data do not include the amount of repriced contracts.

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



**Short term average rates**



## Appendix 3

### Household sector forint average borrowing and deposit rates<sup>9)</sup>

Percent

	2001				2002								
	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept
<b>Loans</b>													
Property loans at market conditions <sup>b)</sup>	16,12	15,76	15,76	15,62	15,56	15,15	14,91	14,93	14,81	14,72	13,82	14,09	14,22
Consumer credit and other loans <sup>c)</sup>	19,38	19,61	19,38	20,15	19,82	19,71	18,97	19,09	18,99	19,36	19,31	19,41	19,10
Short-term consumer credit and other	18,55	18,74	18,30	19,54	18,98	19,05	18,21	18,24	18,35	18,87	18,82	19,02	18,51
Long-term consumer credit and other	20,76	21,15	21,24	21,43	21,68	20,93	20,73	20,61	20,29	20,28	20,27	20,27	20,44
<b>Deposits</b>													
Sight deposits	3,16	3,21	3,26	2,92	2,79	2,46	2,24	2,17	2,19	2,22	2,45	2,45	2,44
Short-term deposits	8,55	8,54	8,39	8,09	7,80	7,54	6,69	6,67	6,68	6,74	6,91	6,93	7,02
Less than one month	8,35	8,30	8,19	7,94	7,67	7,51	6,58	6,61	6,63	6,69	6,84	6,86	6,92
1 month<maturity=<3 months	9,58	9,58	9,52	8,91	8,74	7,81	7,41	7,10	7,04	7,13	7,38	7,37	7,66
3month<maturity=<1 year	8,98	8,90	8,61	8,09	7,78	7,52	7,01	6,83	6,84	6,85	7,00	7,12	7,24
Long-term deposits	8,77	8,73	8,68	8,30	8,24	7,66	7,14	7,02	7,01	7,14	7,08	7,07	7,29

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. It does not include state-subsidised loans.

c) Includes overdrafts, personal loans, Lombard loans, instalment credit, car purchase loans, non-housing mortgage loans and other loans.

### Amount of new business with households<sup>a)</sup>

Forint billions

	2001				2002								
	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept
<b>Loans</b>													
Property loans at market conditions <sup>b)</sup>	7,1	7,7	4,0	4,0	2,8	3,2	3,9	3,7	3,0	3,3	3,4	3,1	2,6
Consumer credit and other loans <sup>c)</sup>	65,3	77,8	72,8	80,6	66,0	69,3	70,3	78,0	76,6	74,3	84,7	74,5	76,8
Short-term consumer credit and other	40,6	49,8	46,0	54,7	45,4	44,9	49,0	49,9	51,4	48,5	56,2	51,5	53,3
Long-term consumer credit and other	24,7	28,0	26,8	25,8	20,6	24,4	21,3	28,0	25,2	25,7	28,5	23,0	23,6
<b>Deposits</b>													
Sight deposits	566,0	705,4	602,5	640,4	532,1	467,5	498,0	494,6	517,7	497,4	527,3	525,6	461,3
Short-term deposits	717,6	764,8	773,8	838,9	869,1	825,7	820,7	850,4	866,3	885,3	923,7	918,2	958,1
Less than one month	579,2	598,4	627,5	663,3	702,4	708,2	692,9	721,4	740,5	752,4	780,7	779,1	804,8
1 month<maturity=<3 months	99,6	122,7	98,7	114,7	99,2	74,9	87,9	79,7	70,8	85,8	96,3	94,7	107,0
3month<maturity=<1 year	38,8	43,7	47,6	60,9	67,4	42,6	39,9	49,3	55,0	47,1	46,7	44,3	46,3
Long-term deposits	6,1	8,3	8,8	20,4	13,7	10,6	9,0	10,2	9,9	11,5	8,6	8,8	5,2

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. It does not include state-subsidised loans.

c) Includes overdrafts, personal loans, Lombard loans, instalment credit, car purchase loans, non-housing mortgage loans and other loans.

## Appendix 4

Changes in household sector average interest rate<sup>a)</sup> on average APRC<sup>b)</sup> of forint loans

Percent

	2001				2002								
	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Jul	Aug	Sept
<b>Overdrafts</b>													
Average interest rate	18,98	19,07	18,95	18,90	18,43	18,77	17,78	17,78	17,80	18,25	18,42	18,37	17,96
Average APRC <sup>f)</sup>	23,98	24,14	23,82	23,79	22,24	22,96	21,07	21,28	21,07	..	..	..	..
<b>Personal loans</b>													
Average interest rate	20,86	23,66	23,12	22,89	22,50	22,12	22,07	22,92	21,99	22,11	22,19	21,89	21,67
Average APRC	26,23	29,78	28,24	27,81	27,67	28,31	28,03	27,70	27,63	27,83	26,47	27,60	27,82
<b>Lombard loans</b>													
Average interest rate	17,22	17,64	16,09	16,72	15,87	15,34	15,02	15,07	12,65	14,83	14,98	14,95	15,45
Average APRC	20,59	19,84	18,02	18,17	17,92	17,63	17,44	17,47	14,03	16,90	17,23	17,47	18,32
<b>Instalment credit</b>													
Average interest rate	27,90	27,54	27,95	28,97	27,44	28,61	28,05	27,77	28,53	28,69	27,90	27,64	27,83
Average APRC	33,90	34,25	34,54	35,14	35,83	35,71	35,46	34,99	35,40	35,80	36,50	36,68	36,37
<b>Car purchase loans</b>													
Average interest rate	19,76	19,22	18,56	17,93	18,55	18,62	17,61	16,71	16,62	16,06	15,62	15,66	15,78
Average APRC	22,39	20,84	20,31	18,54	20,29	20,78	19,71	18,54	17,93	17,80	17,40	16,79	17,18
<b>Mortgage loans</b>													
Average interest rate	18,61	18,60	18,44	18,59	18,64	18,51	18,20	17,32	17,15	17,10	16,96	16,91	16,98
Average APRC	20,14	19,39	20,85	20,99	22,91	22,60	22,13	22,05	22,08	21,90	21,91	21,77	21,93
<b>Other loans</b>													
Average interest rate <sup>c)</sup>	16,84	16,41	14,87	14,82	27,30	24,63	22,40	24,89	26,15	22,59	21,24	23,47	23,42
Average APRC <sup>f)</sup>	21,50	22,83	24,19	20,57	32,19	29,41	28,04	28,41	30,58				
<b>Total consumer credit loans<sup>d)</sup></b>													
Average interest rate	20,70	21,13	21,39	21,65	21,64	20,73	20,61	20,38	19,79	20,69	20,40	20,35	20,37
Average APRC	24,19	24,17	25,17	25,09	26,69	25,38	25,32	24,96	24,12	25,56	25,21	25,58	25,69
<b>Property loans at market conditions<sup>e)</sup></b>													
Average interest rate	16,12	15,76	15,76	15,62	15,56	15,15	14,91	14,93	14,81	14,72	13,82	14,09	14,22
Average APRC	..	..	..	..	16,74	16,09	15,85	15,87	15,88	15,80	15,02	15,64	16,04

- 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, APRC 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.
- d) Includes personal loans, Lombard loans, instalment credit, car purchase loans, non-housing mortgage loans. It does not include overdrafts.
- e) Property loans granted under market terms do not include state-subsidised loans.
- f) No data reporting is requested from June 2002.

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

Percent

	2001				2002								
	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Jul	Aug	Szept
Overdraft	54,06	56,03	52,04	54,15	67,56	66,71	64,23	64,62	65,09	63,44	60,96	65,14	66,17
Personal loans	11,42	7,87	11,28	6,77	4,42	5,20	6,55	7,39	6,47	6,27	6,84	6,17	6,27
Lombard loans	1,95	2,19	1,99	1,85	1,45	1,62	1,53	1,63	2,26	1,29	1,02	1,02	1,09
Instalment credit	6,26	6,58	7,91	9,73	7,49	4,31	4,47	4,48	4,70	5,75	5,51	5,47	5,11
Car purchase loans	6,23	6,84	7,83	5,63	4,43	3,44	3,38	4,09	6,06	4,55	5,13	4,56	4,22
Mortgage loans	16,30	16,33	13,03	16,20	8,42	11,31	10,03	9,15	7,61	7,32	6,84	6,52	6,36
Other loans	3,80	4,16	5,92	5,67	6,24	7,43	9,81	8,65	7,82	11,39	13,70	11,11	10,79
<b>Total</b>	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) For the period of June to December 2001, the table only shows household consumer credit and other loans for terms longer than three months in a breakdown by credit type.