

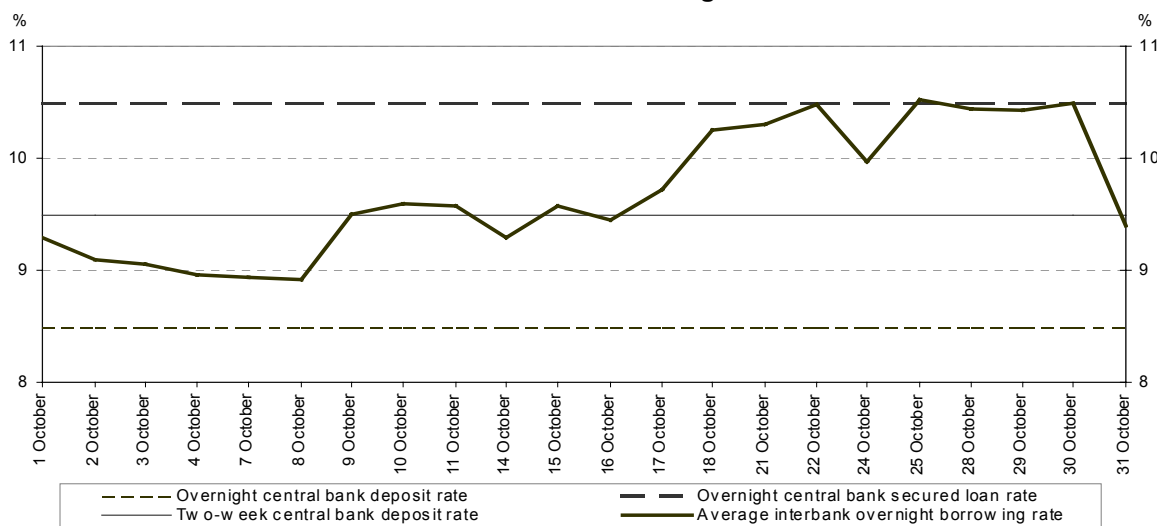
2 December 2002

## PRESS RELEASE

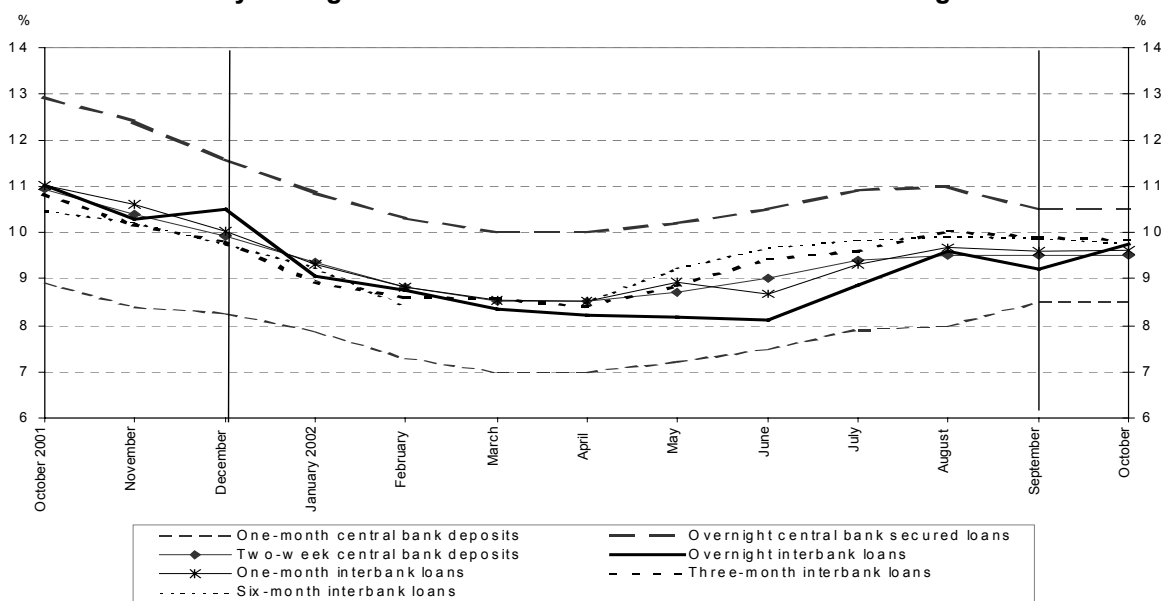
### Non-financial corporate and household sector forint interest rates, interbank lending rates in October 2002

*In October 2002, forint interbank interest rates rose at the overnight and one-month maturities, while they fell at the three and six-month maturities. With the exception of short-term deposit rates, non-financial corporations' forint borrowing and deposit rates rose. Forint borrowing and deposit rates of the household sector fell, except interest rates on consumer credit and other loans.*

Central bank rates and interbank lending rates in October 2002

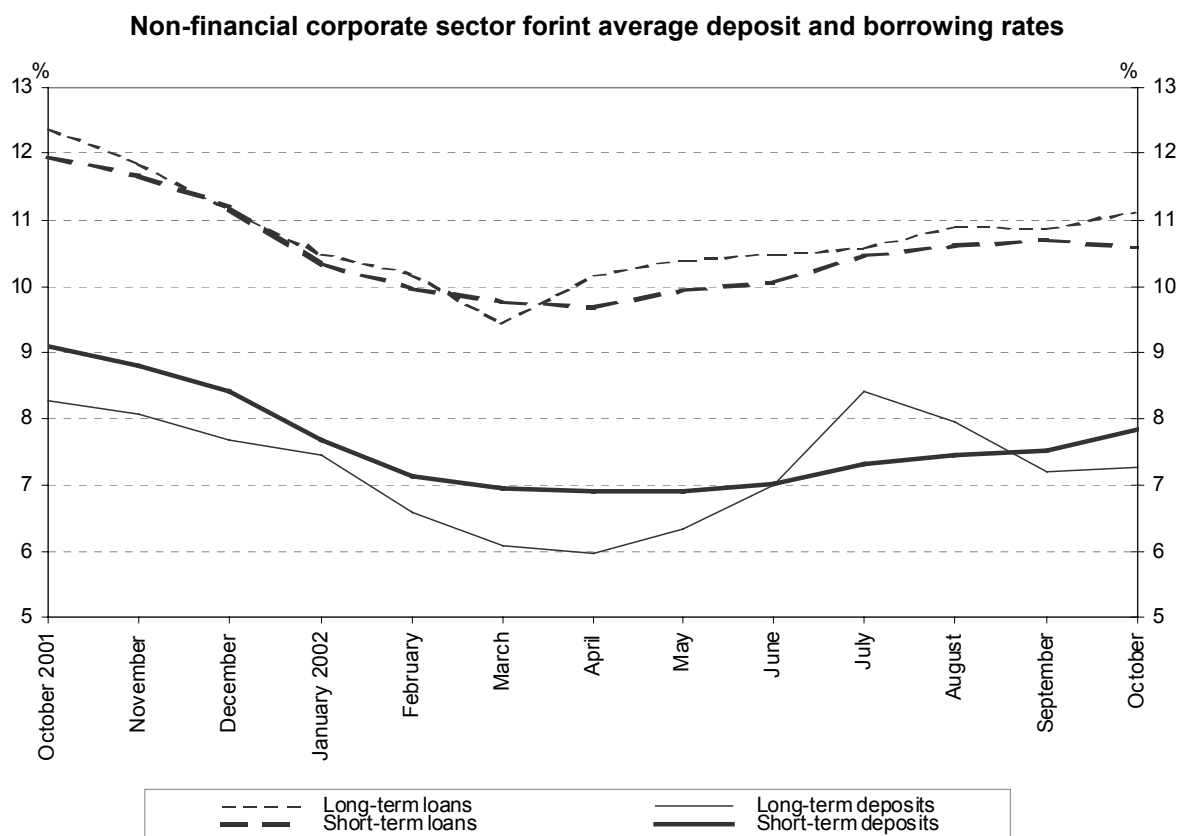


Monthly average central bank rates and forint interbank lending rates<sup>a)</sup>

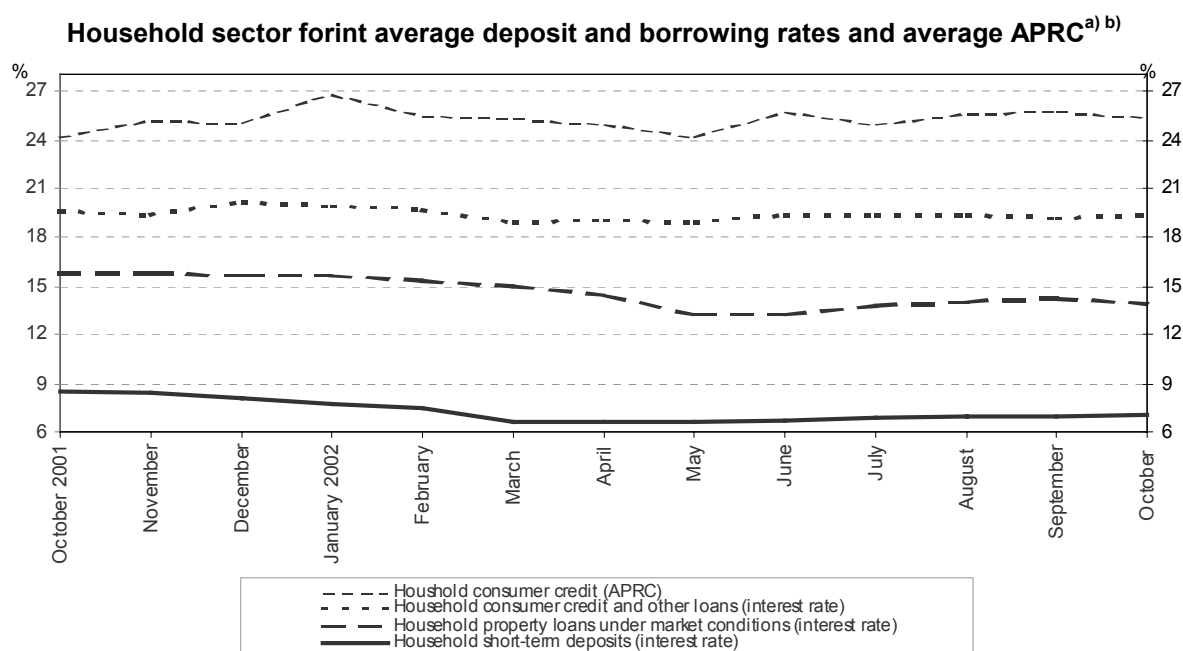


a) The interest rate corridor narrowed to 300 basis points on 11 December 2001 and to 200 basis points as of 1 September 2002.

Forint interbank turnover amounted to Ft 1,596.1 billion in October, Ft 211.4 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, and remained near the top of the corridor in the final days. The average overnight lending rate rose 55 basis points, from 9.20% to 9.75% and the average lending rate for one month rose 3 basis points, from 9.58% to 9.61%, relative to September. At three months, the average interest rate was 3 basis points lower, falling from 9.88% to 9.85%. The six-month average borrowing rate saw a drop of 15 basis point, from 9.90% in the preceding month to 9.75% in October.



The average of interest rates on short-term loans provided to non-financial corporations under market conditions fell 12 basis points, from 10.69% to 10.57%, that of interest rates on long-term loans rising 26 basis points, from 10.86% to 11.12%, the former due to changes in the composition of outstanding loans and the latter on account of banks' interest rate decisions. Caused also by interest rate decisions, the average short-term deposit rate rose 34 basis points, from 7.50% to 7.84%, and the long-term deposit rate rose 9 basis points, from 7.19% to 7.28%. The spread between interest rates on short-term loans and deposits, which play a major role for non-financial corporations, narrowed from 3.19 percentage points to 2.73 percentage points relative to the preceding month.



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 fell 34 basis points, from 14.23% in September to 13.89% in October. The average rate on consumer credit and other loans rose 31 basis points, from 19.09% to 19.40%, due to mainly to interest rate decisions. The average rate on consumer credit<sup>2</sup> excluding overdrafts fell 21 basis points, from September's 20.43% to 20.22%, with a 38 basis point drop in the APRC, from 25.73% to 25.37%. Households' average sight deposit rate fell 5 basis points, from the preceding month's 2.43% to 2.38%. The short-term average deposit rate rose 5 basis points, from 7.02% to 7.07%, and that of long-term deposit rates fell 14 basis points, from 7.71% to 7.57%.

\* \* \* \* \*

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									
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Jul	Aug	Sept	Oct
<b>Loans</b>													
Short-term loans <sup>b)</sup>	11,95	11,66	11,18	10,35	9,98	9,76	9,68	9,93	10,06	10,45	10,60	10,69	10,57
Long-term loans	12,39	11,85	11,15	10,48	10,19	9,45	10,16	10,41	10,48	10,58	10,90	10,86	11,12
<b>Time deposits</b>													
Short-term deposits	9,09	8,81	8,40	7,69	7,14	6,96	6,90	6,89	7,01	7,30	7,47	7,50	7,84
Less than one month	9,05	8,79	8,40	7,67	7,14	6,96	6,88	6,85	6,99	7,29	7,45	7,48	7,85
1 month<maturity=<1 year	9,45	9,05	8,38	7,88	7,17	7,00	7,13	7,22	7,30	7,42	7,60	7,76	7,83
Long-term deposits	8,26	8,08	7,70	7,45	6,59	6,08	5,95	6,35	6,99	8,41	7,96	7,19	7,28
<b>Settlement account deposits</b>													
Minimum	1,00	0,50	0,50	0,50	0,10	0,10	0,08	0,08	0,08	0,08	0,08	0,08	0,08
Maximum	11,80	12,00	12,00	11,00	10,75	10,75	10,75	10,75	10,75	11,63	9,99	9,64	9,70

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

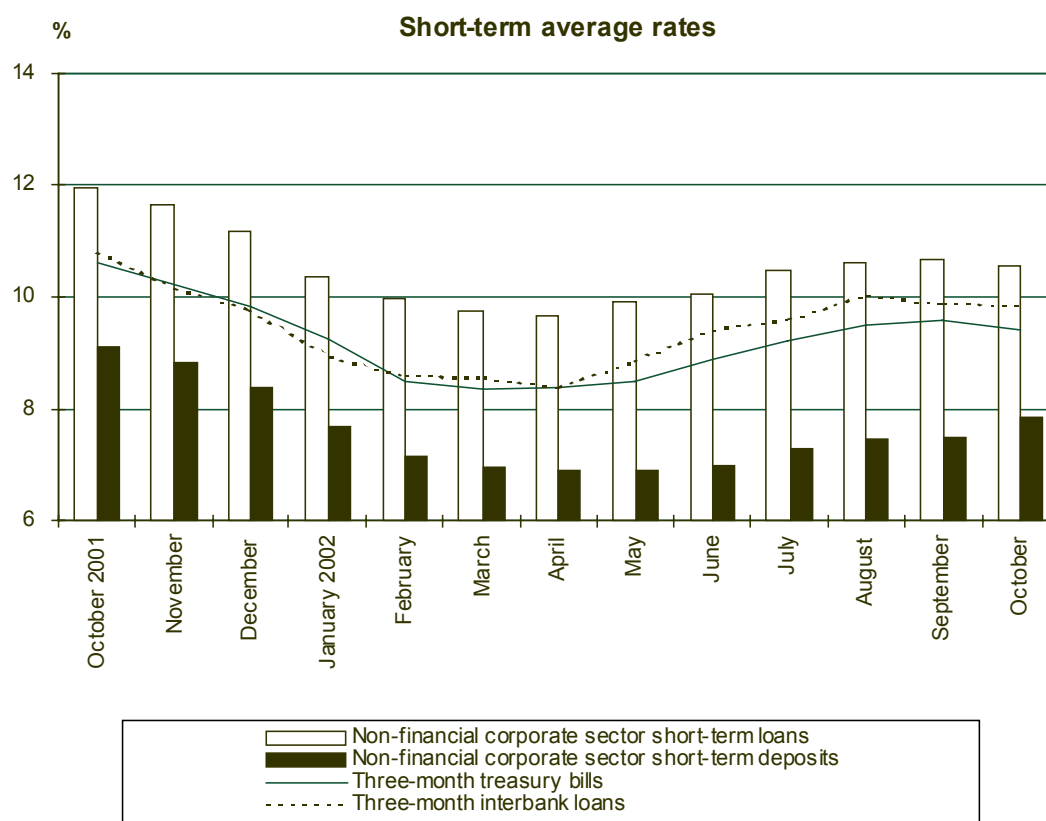
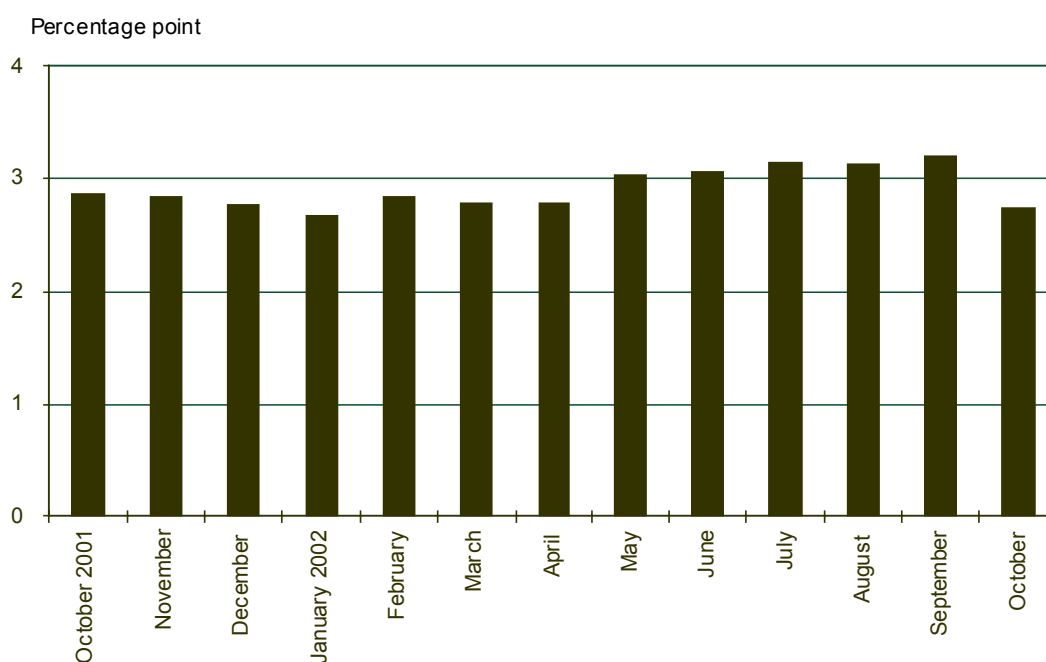
	2001			2002									
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Jul	Aug	Sept	Oct
<b>Loans<sup>c)</sup></b>													
Short-term loans <sup>b)</sup>	543,5	472,0	518,4	130,9	113,5	142,5	161,0	147,9	150,9	169,8	123,9	119,3	167,4
Long-term loans	289,4	292,2	357,3	57,8	32,3	43,5	51,7	45,8	54,0	45,5	34,7	45,8	130,2
<b>Time deposits</b>													
Short-term deposits	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	1 358,2
Less than one month	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	1 218,5
1 month<maturity=<1 year	131,7	82,2	95,4	102,8	60,9	141,2	86,5	120,5	62,6	101,8	103,2	79,0	139,7
Long-term deposits	1,1	1,3	1,7	1,5	1,2	0,9	0,8	0,6	0,8	1,9	1,0	1,4	1,6

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



## Appendix 3

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

Percent

	2001			2002									
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct
<b>Loans</b>													
Property loans at market conditions <sup>b)</sup>	15,76	15,76	15,62	15,66	15,27	14,97	14,39	13,20	13,24	13,79	14,04	14,23	13,89
Consumer credit and other loans <sup>c)</sup>	19,61	19,38	20,15	19,92	19,73	18,97	19,05	18,94	19,30	19,31	19,41	19,09	19,40
Short-term consumer credit and other	18,74	18,30	19,54	19,16	19,05	18,20	18,18	18,29	18,67	18,83	19,01	18,50	18,90
Long-term consumer credit and other	21,15	21,24	21,43	21,57	20,98	20,79	20,65	20,28	20,61	20,26	20,31	20,45	20,41
<b>Deposits</b>													
Sight deposits	3,21	3,26	2,92	2,87	2,48	2,25	2,15	2,17	2,20	2,44	2,43	2,43	2,38
Short-term deposits	8,54	8,39	8,09	7,75	7,53	6,68	6,66	6,67	6,73	6,90	6,93	7,02	7,07
Less than one month	8,30	8,19	7,94	7,62	7,51	6,57	6,61	6,63	6,68	6,84	6,88	6,93	6,96
1 month<maturity≤3 months	9,58	9,52	8,91	8,73	7,80	7,35	7,01	6,99	7,12	7,36	7,32	7,65	7,71
3month<maturity≤1 year	8,90	8,61	8,09	7,73	7,45	6,93	6,77	6,76	6,79	6,93	7,04	7,25	7,41
Long-term deposits	8,73	8,68	8,30	8,27	7,90	7,32	7,24	7,14	7,19	7,31	6,92	7,71	7,57

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									
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct
<b>Loans</b>													
Property loans at market conditions <sup>b)</sup>	7,7	4,0	4,0	2,7	3,1	3,8	3,9	3,6	3,8	3,3	3,0	2,4	2,7
Consumer credit and other loans <sup>c)</sup>	77,8	72,8	80,6	66,2	69,1	70,3	78,3	76,7	73,9	84,3	74,5	76,7	86,3
Short-term consumer credit and other	49,8	46,0	54,7	45,4	45,0	49,3	50,6	51,8	50,0	56,2	51,7	53,5	57,6
Long-term consumer credit and other	28,0	26,8	25,8	20,8	24,1	21,0	27,7	24,9	24,0	28,1	22,8	23,3	28,7
<b>Deposits</b>													
Sight deposits	705,4	602,5	640,4	516,4	465,8	496,4	493,2	521,8	500,3	529,1	526,8	462,8	595,0
Short-term deposits	764,8	773,8	838,9	879,1	829,3	823,8	854,0	868,2	886,9	924,7	918,7	958,3	961,9
Less than one month	598,4	627,5	663,3	713,6	710,6	695,6	724,2	741,6	753,8	781,0	782,0	804,8	799,7
1 month<maturity≤3 months	122,7	98,7	114,7	97,4	75,5	87,9	80,0	71,3	85,5	96,5	92,7	107,0	106,4
3month<maturity≤1 year	43,7	47,6	60,9	68,1	43,2	40,3	49,8	55,3	47,6	47,2	44,0	46,4	55,8
Long-term deposits	8,3	8,8	20,4	10,9	7,9	6,9	7,1	7,9	9,6	7,1	7,7	4,0	5,8

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> and average APRC<sup>b)</sup> of forint loans

Percent

	2001			2002									
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Jul	Aug	Sept	Oct
<b>Overdrafts</b>													
Average interest rate	19,07	18,95	18,90	18,59	18,78	17,79	17,78	17,80	18,24	18,43	18,37	17,96	18,62
Average APRC <sup>f)</sup>	24,14	23,82	23,79	22,29	23,02	21,11	21,29	21,05	..	..	..	..	..
<b>Personal loans</b>													
Average interest rate	23,66	23,12	22,89	23,65	23,10	22,75	23,70	22,93	23,02	22,80	22,64	22,30	21,76
Average APRC	29,78	28,24	27,81	29,25	29,89	29,01	28,62	28,98	29,13	27,13	28,65	28,75	27,23
<b>Lombard loans</b>													
Average interest rate	17,64	16,09	16,72	15,85	15,36	15,05	14,97	12,60	14,79	14,92	14,94	15,41	14,64
Average APRC	19,84	18,02	18,17	17,98	17,72	17,50	17,11	13,93	16,78	17,13	17,42	18,17	16,77
<b>Instalment credit</b>													
Average interest rate	27,54	27,95	28,97	27,28	28,36	27,63	27,01	27,88	28,17	26,29	27,18	27,19	26,73
Average APRC	34,25	34,54	35,14	35,58	35,36	34,87	33,93	34,50	35,09	34,02	36,01	35,45	35,52
<b>Car purchase loans</b>													
Average interest rate	19,22	18,56	17,93	18,60	18,62	17,48	16,54	16,49	16,06	15,50	15,63	15,85	15,68
Average APRC	20,84	20,31	18,54	20,30	20,79	19,26	18,70	17,97	17,80	17,46	16,92	17,13	17,16
<b>Mortgage loans</b>													
Average interest rate	18,60	18,44	18,59	18,64	18,53	18,20	17,34	17,18	17,14	17,00	16,94	16,95	16,70
Average APRC	19,39	20,85	20,99	22,88	22,60	22,11	22,04	22,09	22,00	21,89	21,74	21,88	21,26
<b>Other loans</b>													
Average interest rate <sup>c)</sup>	16,41	14,87	14,82	26,01	24,08	22,37	24,32	25,01	21,97	21,67	23,44	23,24	23,15
Average APRC <sup>f)</sup>	22,83	24,19	20,57	31,00	28,73	26,69	27,79	29,14	..	..	..	..	..
<b>Total consumer credit loans<sup>d)</sup></b>													
Average interest rate	21,13	21,39	21,65	21,71	20,85	20,62	20,35	19,79	20,79	20,21	20,37	20,43	20,22
Average APRC	24,17	25,17	25,09	26,75	25,53	25,28	24,91	24,14	25,69	24,92	25,61	25,73	25,37
<b>Property loans at market conditions<sup>e)</sup></b>													
Average interest rate	15,76	15,76	15,62	15,66	15,27	14,97	14,39	13,20	13,24	13,79	14,04	14,23	13,89
Average APRC	..	..	..	16,72	16,42	16,03	15,43	14,54	14,57	14,98	15,50	15,80	15,76

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 with in total new business<sup>a)</sup>

Percent

	2001			2002									
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Jul	Aug	Sept	Oct
Overdraft	56,03	52,04	54,15	67,18	66,81	64,37	64,42	65,04	63,77	61,32	65,30	66,51	69,66
Personal loans	7,87	11,26	6,77	3,61	4,40	5,85	6,57	5,47	5,47	6,24	5,50	5,64	4,56
Lombard loans	2,19	1,99	1,85	1,45	1,64	1,54	1,63	2,23	1,29	1,03	1,03	1,03	1,38
Instalment credit	6,55	7,91	9,73	7,55	4,38	4,59	4,68	4,87	5,97	6,03	5,64	5,31	5,44
Car purchase loans	6,84	7,83	5,63	4,74	3,44	3,51	4,42	6,21	4,88	5,35	4,72	4,26	3,86
Mortgage loans	16,33	13,03	16,20	8,40	11,30	10,32	9,16	7,68	7,38	6,90	6,66	6,19	4,91
Other loans	4,16	5,92	5,67	7,06	8,01	9,82	9,05	8,50	11,55	13,13	11,15	11,00	10,19
<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.