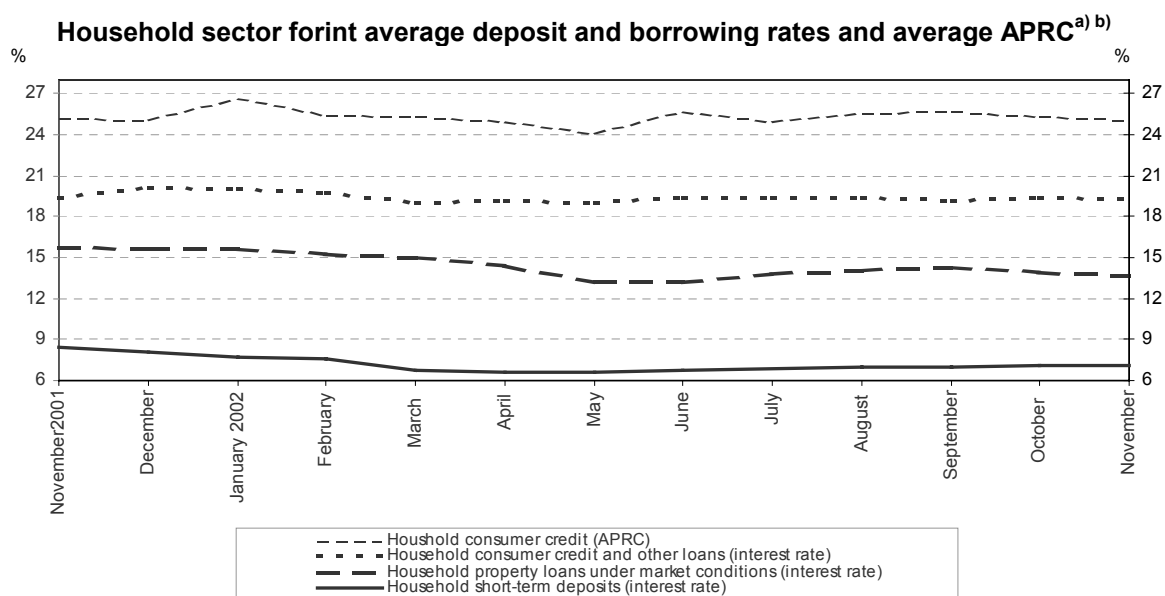


2 January 2003

## PRESS RELEASE

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

*In November 2002, household sector lending rates fell slightly, while long-term deposit rates changed only at the longer maturities. Non-financial corporations' forint borrowing and deposit rates also fell. The rate on the central bank's two-week deposit facility was reduced by 50 basis points in November, which fed through most strongly into interbank rates, causing them to fall at every maturity.*



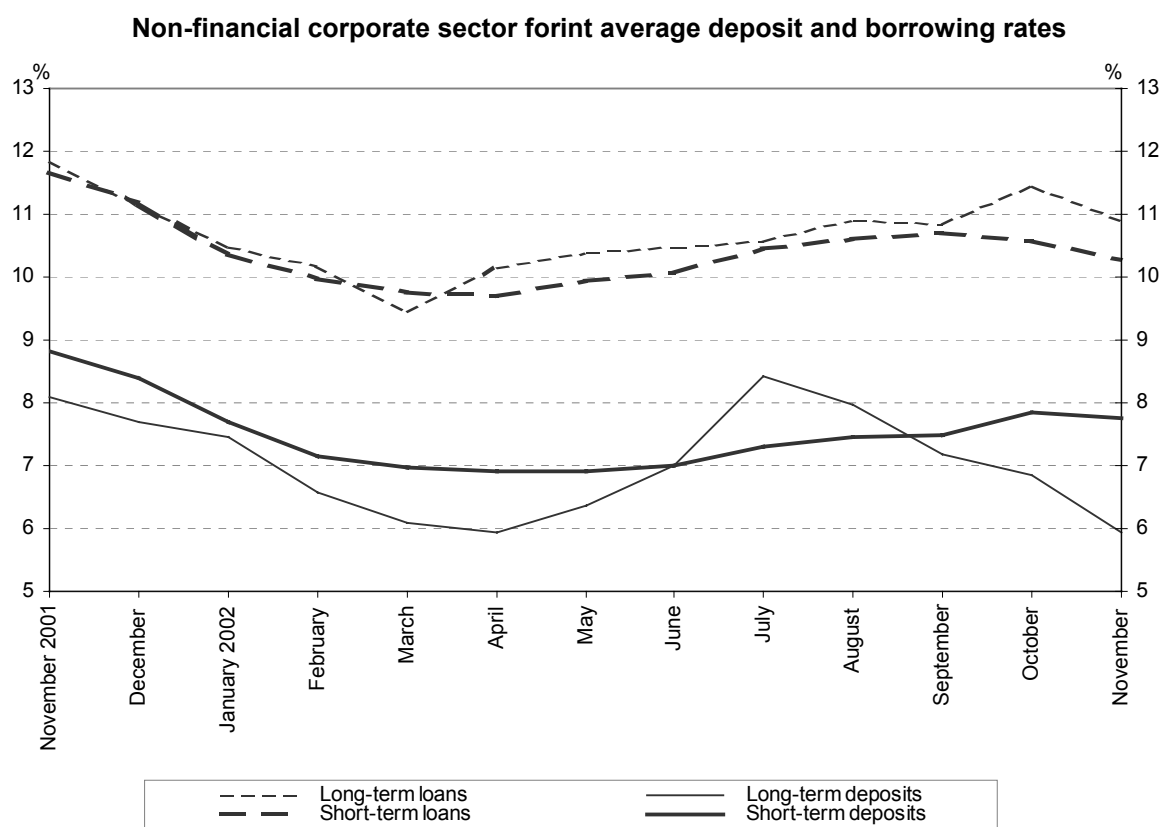
a) For the period up to December 2001, the APRC for household consumer credit and other loans contain data only on household borrowing, excluding current accounts, for maturities longer than three months. For the period from January 2002, the chart shows the APRC for household consumer credit, excluding overdrafts.

b) Property loans granted under market conditions do not include state-subsidised loans.

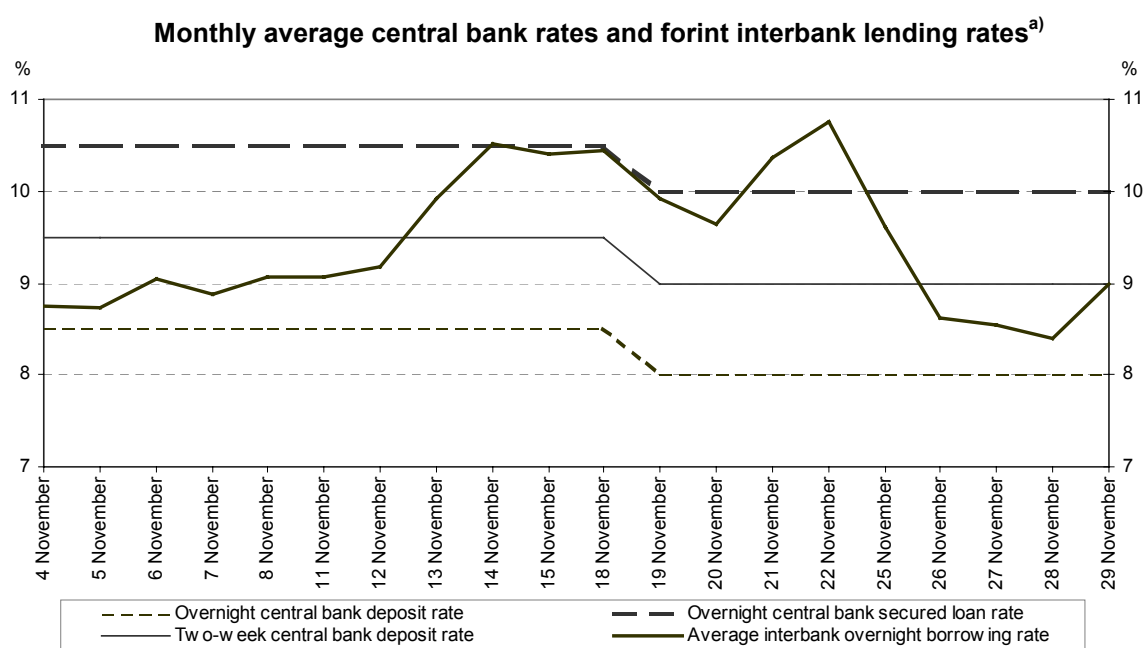
The average interest rate on property loans provided to the household sector<sup>1</sup> under market conditions fell 24 basis points, from 13.89% in October to 13.65% in November. The average rate on consumer credit and other loans fell 14 basis points, from 19.43% to 19.29%, due mainly to interest rate decisions. The average rate on consumer credit<sup>2</sup> excluding overdrafts fell 5 basis points, from October's 20.22% to 20.17%, with a 28 basis point drop in the APRC, from 25.37% to 25.09%. Households' average deposit rates remained virtually unchanged in November, with the sight deposit rate standing at 2.37% and the short-term average deposit rate at 7.06%. Long-term deposit rates fell 18 basis points, from 7.57% to 7.39%.

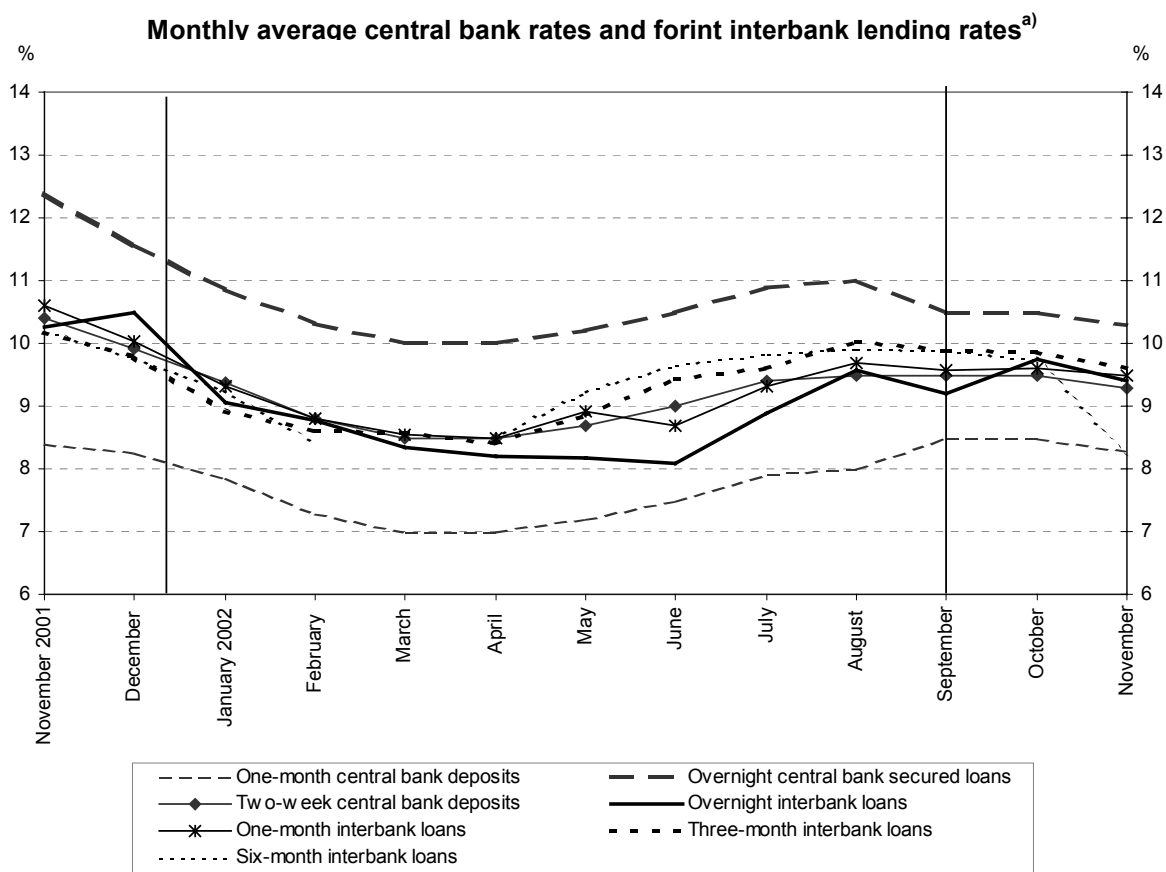
<sup>1</sup> The property loans granted under market terms do not include state-subsidised loans.

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



The average of interest rates on short-term loans provided to non-financial corporations under market conditions fell 30 basis points, from 10.57% to 10.27%, that of interest rates on long-term loans rising 55 basis points, from 11.46% to 10.91%. Average short-term deposit rate fell 9 basis points, from 7.84% to 7.76%, and the long-term deposit rate fell 91 basis points, from 6.84% to 5.93%. The spread between interest rates on short-term loans and deposits, which play a major role for non-financial corporations, narrowed from 2.73 percentage points to 2.51 percentage points relative to the preceding month.





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 1,683.2 billion in November, Ft 87.1 billion more than in the preceding month. The daily average of interest rates on overnight loans was in the lower range of the interest rate corridor in the first half of the month, then it shifted to the upper limit in the middle of the month, even leaving the upper limit on a number of occasions. The average overnight lending rate fell 35 basis points, from 9.75% to 9.40% and the average lending rate for one month by 12 basis points, from 9.61% to 9.49%, relative to October. At three months, the average interest rate was 25 basis points lower, falling from 9.85% to 9.60%. The six-month average borrowing rate saw a drop of 152 basis point, from 9.75% in the preceding month to 8.23% in November.

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

## Appendix 1

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

Percent

	2001		2002										
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov
<b>Loans</b>													
Property loans at market conditions <sup>b)</sup>	15,76	15,62	15,66	15,27	14,97	14,39	13,20	13,19	13,79	14,03	14,23	13,89	13,65
Consumer credit and other loans <sup>c)</sup>	19,38	20,15	19,95	19,77	18,99	19,08	18,96	19,33	19,33	19,42	19,11	19,43	19,29
Short-term consumer credit and other	18,30	19,54	19,20	19,13	18,23	18,22	18,33	18,71	18,87	19,03	18,53	18,94	18,67
Long-term consumer credit and other	21,24	21,43	21,58	20,98	20,79	20,65	20,28	20,61	20,26	20,30	20,45	20,41	20,48
<b>Deposits</b>													
Sight deposits	3,26	2,92	2,87	2,48	2,25	2,15	2,17	2,20	2,44	2,43	2,43	2,38	2,37
Short-term deposits	8,39	8,09	7,75	7,53	6,68	6,66	6,67	6,73	6,90	6,93	7,02	7,07	7,06
Less than one month	8,19	7,94	7,62	7,51	6,57	6,61	6,63	6,68	6,84	6,88	6,93	6,96	6,96
1 month<maturity=<3 months	9,52	8,91	8,73	7,80	7,35	7,01	6,99	7,12	7,36	7,32	7,65	7,71	7,67
3month<maturity=<1 year	8,61	8,09	7,73	7,45	6,93	6,77	6,76	6,79	6,93	7,04	7,25	7,41	7,54
Long-term deposits	8,68	8,30	8,27	7,90	7,32	7,24	7,14	7,19	7,31	6,92	7,71	7,57	7,39

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										
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov
<b>Loans</b>													
Property loans at market conditions <sup>b)</sup>	4,0	4,0	2,7	3,1	3,8	3,9	3,6	3,9	3,3	3,0	2,4	2,7	2,9
Consumer credit and other loans <sup>c)</sup>	72,8	80,6	66,4	69,5	70,5	78,6	77,0	74,2	84,7	74,8	77,0	86,4	83,5
Short-term consumer credit and other	46,0	54,7	45,6	45,4	49,5	50,9	52,1	50,2	56,5	52,0	53,7	57,7	54,8
Long-term consumer credit and other	26,8	25,8	20,8	24,1	21,0	27,7	24,9	24,0	28,2	22,8	23,3	28,7	28,7
<b>Deposits</b>													
Sight deposits	602,5	640,4	516,4	465,8	496,4	493,2	521,8	500,3	529,1	526,8	462,8	595,0	593,0
Short-term deposits	773,8	838,9	879,1	829,3	823,8	854,0	868,2	886,9	924,7	918,7	958,3	961,9	946,5
Less than one month	627,5	663,3	713,6	710,6	695,6	724,2	741,6	753,8	781,0	782,0	804,8	799,7	796,4
1 month<maturity=<3 months	98,7	114,7	97,4	75,5	87,9	80,0	71,3	85,5	96,5	92,7	107,0	106,4	96,8
3month<maturity=<1 year	47,6	60,9	68,1	43,2	40,3	49,8	55,3	47,6	47,2	44,0	46,4	55,8	53,3
Long-term deposits	8,8	20,4	10,9	7,9	6,9	7,1	7,9	9,6	7,1	7,7	4,0	5,8	7,0

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 2

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

Percent

	2001		2002										
	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Jul	Aug	Sept	Oct	Nov
<b>Overdrafts</b>													
Average interest rate	18,95	18,90	18,59	18,78	17,79	17,78	17,80	18,24	18,43	18,36	17,96	18,63	18,40
Average APRC <sup>f)</sup>	23,82	23,79	22,29	23,02	21,11	21,29	21,05	..	..	..	..	..	..
<b>Personal loans</b>													
Average interest rate	23,12	22,89	23,65	23,10	22,75	23,70	22,93	23,02	22,80	22,64	22,30	21,76	22,39
Average APRC	28,24	27,81	29,25	29,89	29,01	28,62	28,98	29,13	27,13	28,65	28,75	27,23	27,94
<b>Lombard loans</b>													
Average interest rate	16,09	16,72	15,85	15,36	15,05	14,97	12,60	14,79	14,92	14,94	15,41	14,64	13,28
Average APRC	18,02	18,17	18,06	17,76	17,41	17,10	13,97	16,85	17,11	17,21	17,92	16,77	14,73
<b>Instalment credit</b>													
Average interest rate	27,95	28,97	27,28	28,36	27,63	27,01	27,88	28,17	26,29	27,18	27,19	26,73	25,18
Average APRC	34,54	35,14	35,58	35,36	34,87	33,93	34,50	35,09	34,02	36,01	35,45	35,52	32,73
<b>Car purchase loans</b>													
Average interest rate	18,56	17,93	18,60	18,62	17,48	16,54	16,49	16,06	15,50	15,63	15,85	15,68	15,47
Average APRC	20,31	18,54	20,30	20,79	19,26	18,70	17,97	17,80	17,46	16,92	17,13	17,16	17,05
<b>Mortgage loans</b>													
Average interest rate	18,44	18,59	18,64	18,50	18,20	17,34	17,18	17,14	17,00	16,94	16,95	16,70	16,67
Average APRC	20,85	20,99	22,79	22,54	22,11	22,04	22,09	22,00	21,89	21,74	21,90	21,26	21,00
<b>Other loans</b>													
Average interest rate <sup>c)</sup>	14,87	14,82	26,43	24,61	22,51	24,34	25,06	22,09	21,76	23,43	23,30	23,23	23,13
Average APRC <sup>f)</sup>	24,19	20,57	31,65	29,47	26,89	27,91	29,28	..	..	..	..	..	..
<b>Total consumer credit loans<sup>d)</sup></b>													
Average interest rate	21,39	21,65	21,67	20,80	20,62	20,35	19,79	20,79	20,21	20,37	20,43	20,22	20,17
Average APRC	25,17	25,09	26,67	25,46	25,28	24,91	24,15	25,70	24,91	25,61	25,72	25,37	25,09
<b>Property loans at market conditions<sup>e)</sup></b>													
Average interest rate	15,76	15,62	15,66	15,27	14,97	14,39	13,20	13,19	13,79	14,03	14,23	13,89	13,65
Average APRC	..	..	16,73	16,42	16,03	15,43	14,54	14,55	14,98	15,49	15,80	15,74	14,58

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										
	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Jul	Aug	Sept	Oct	Nov
Overdraft	52,04	54,15	66,96	66,43	64,18	64,23	64,84	63,53	61,05	65,08	66,32	69,44	66,80
Personal loans	11,28	6,77	3,60	4,38	5,83	6,54	5,46	5,45	6,21	5,47	5,62	4,55	4,82
Lombard loans	1,99	1,85	1,45	1,63	1,53	1,62	2,22	1,29	1,02	1,02	1,08	1,37	1,66
Instalment credit	7,91	9,73	7,53	4,36	4,58	4,66	4,85	5,94	6,00	5,62	5,29	5,43	7,39
Car purchase loans	7,83	5,63	4,73	3,42	3,50	4,40	6,20	4,56	5,33	4,70	4,25	3,85	4,11
Mortgage loans	13,03	16,20	8,71	11,61	10,30	9,12	7,66	7,35	6,89	6,64	6,17	4,90	4,86
Other loans	5,92	5,67	7,02	8,17	10,07	9,42	8,77	11,88	13,49	11,47	11,26	10,45	10,36
<b>Total</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>

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.

## Appendix 3

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

Percent

	2001		2002										
	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Jul	Aug	Sept	Oct	Nov
<b>Loans</b>													
Short-term loans <sup>b)</sup>	11,66	11,18	10,35	9,98	9,76	9,68	9,93	10,06	10,45	10,60	10,69	10,57	10,27
Long-term loans	11,85	11,15	10,48	10,19	9,45	10,16	10,41	10,48	10,58	10,90	10,86	11,46	10,91
<b>Time deposits</b>													
Short-term deposits	8,81	8,40	7,69	7,14	6,96	6,90	6,89	7,01	7,30	7,47	7,50	7,84	7,76
Less than one month	8,79	8,40	7,67	7,14	6,96	6,88	6,85	6,99	7,29	7,45	7,48	7,85	7,77
1 month<maturity=<1 year	9,05	8,38	7,88	7,17	7,00	7,13	7,22	7,30	7,42	7,60	7,76	7,83	7,62
Long-term deposits	8,08	7,70	7,45	6,59	6,08	5,95	6,35	6,99	8,41	7,96	7,19	6,84	5,93
<b>Settlement account deposits</b>													
Minimum	0,50	0,50	0,50	0,10	0,10	0,08	0,08	0,08	0,08	0,08	0,08	0,08	0,08
Maximum	12,00	12,00	11,00	10,75	10,75	10,75	10,75	10,75	11,63	9,99	9,64	9,70	9,68

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										
	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Jul	Aug	Sept	Oct	Nov
<b>Loans<sup>c)</sup></b>													
Short-term loans <sup>b)</sup>	472,0	518,4	130,9	113,5	142,5	161,0	147,9	150,9	169,8	123,9	119,3	167,4	144,8
Long-term loans	292,2	357,3	57,8	32,3	43,5	51,7	45,8	54,0	45,5	34,7	45,8	29,2	36,1
<b>Time deposits</b>													
Short-term deposits	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	1.200,3
Less than one month	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	1.138,8
1 month<maturity=<1 year	82,2	95,4	102,8	60,9	141,2	86,5	120,5	62,6	101,8	103,2	79,0	139,7	61,5
Long-term deposits	1,3	1,7	1,5	1,2	0,9	0,8	0,6	0,8	1,9	1,0	1,4	1,4	0,5

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

