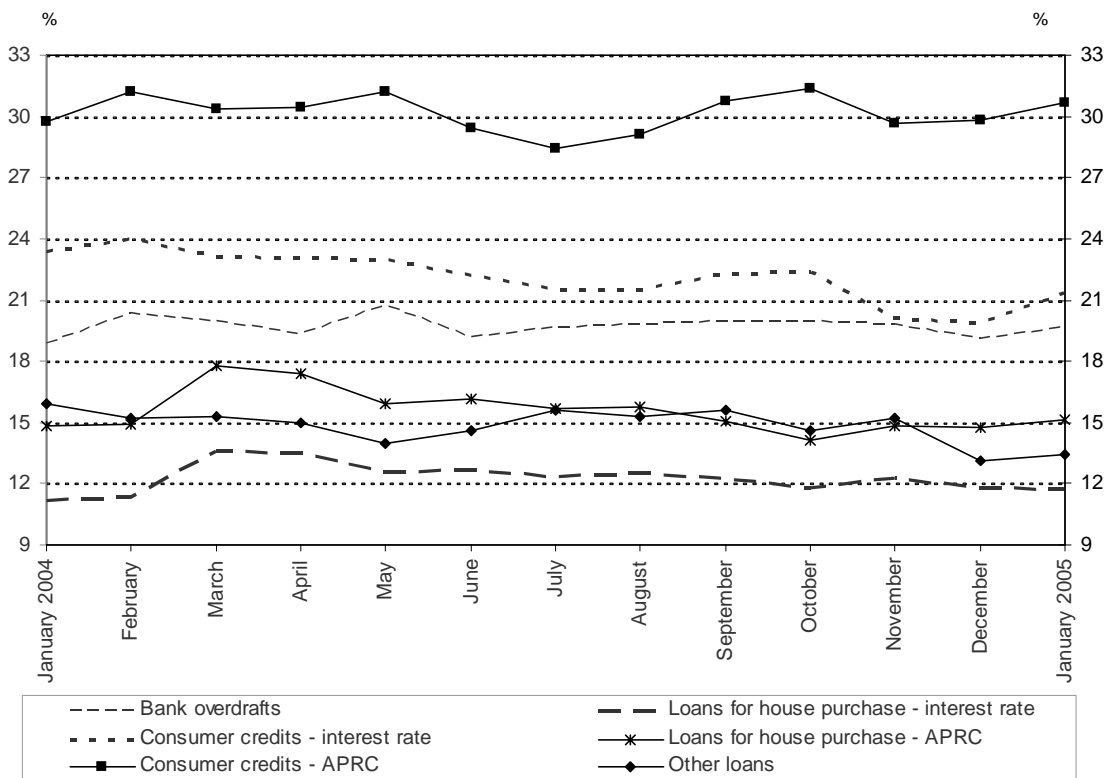


PRESS RELEASE

Household and non-financial corporate sector forint interest rates, interbank lending rates: January 2005¹

In January 2005, average interest rates on loans to the household sector rose. By contrast, average interest rates on the sector's deposits fell. The averages of interest rates on non-financial corporations' loans and deposits were lower than in the preceding month. In the interbank forint market, average interest rates on loans fell at every maturity in the month under review.

Chart 1 Monthly average interest rates and APR on household loans



In the household sector, the average interest rate on overdrafts rose by 48 basis points, from 19.12% in December 2004 to 19.60% in January 2005. The average interest rate on housing loans edged down by 9 basis points, from 11.83% to 11.74%, the APR rising by 34 basis points, from 14.76% to 15.10%. The average interest rate on consumer credit rose by 148 basis points, from

¹ The data underlying this press release do not include those on foreign currency-based forint loans granted by credit institutions, irrespective of the fact that such loans are granted and repaid in forints.

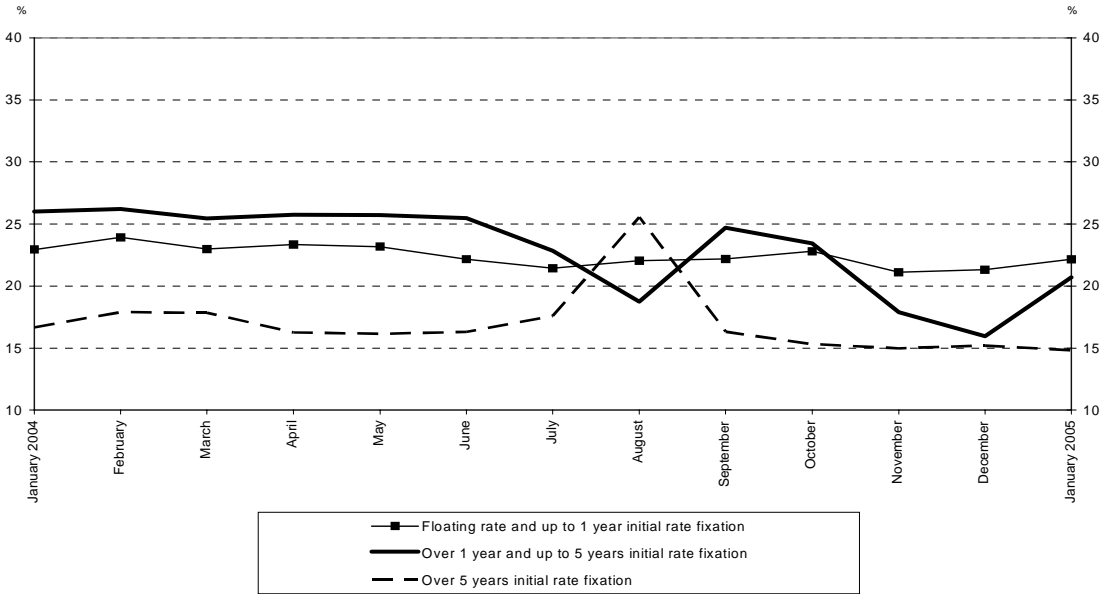
December's 19.85% to 21.33%, the APR rising by 83 basis points, from 29.82% to 30.65%. The average interest rate on other loans was up by 35 basis points, from 13,10% to 13,45%.

The amount of consumer credit provided was HUF 14.1 billion in January. That was HUF 11.7 billion lower than in the preceding month. Excluding overdrafts, consumer credit as a proportion of new loans fell from 48.5% in December to 40.9% in the month under review.

The amount of loans granted for house purchase was HUF 15.7 billion, up HUF 0.5 billion on the preceding month. Excluding overdrafts, housing loans as a proportion of new loans rose from 28.6% to 45.5% in one month.

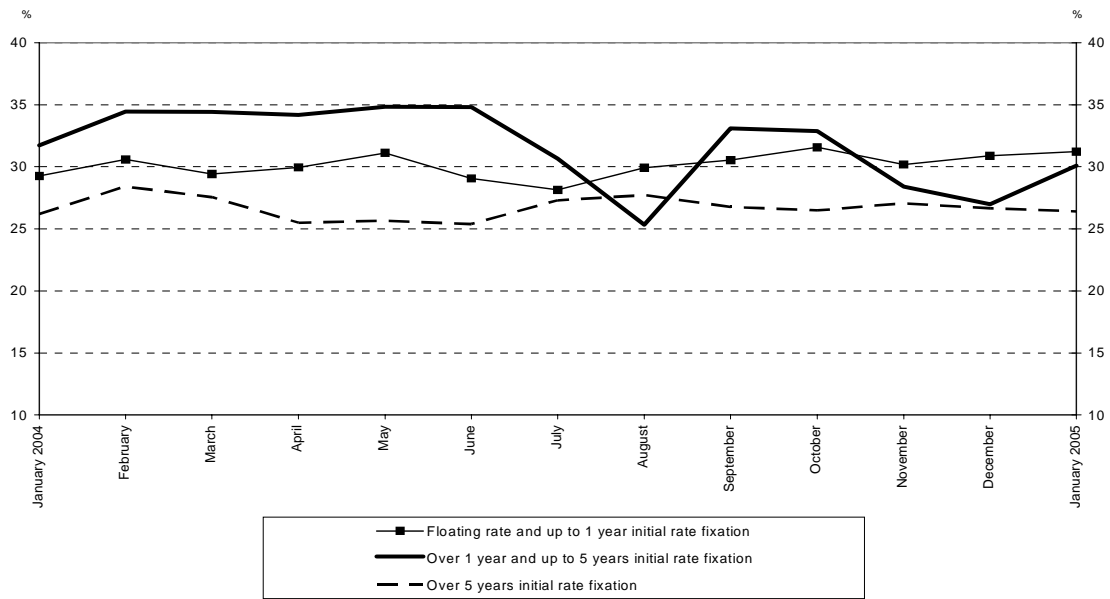
The amount of other loans granted was HUF 4.7 billion in January, accounting for 13.7% of the total amount of new loans, excluding overdrafts. The amount of new other loans fell by HUF 7.5 billion, their percentage share of the total falling by 9.2 percentage points in one month.

Chart 2 Monthly average interest rates on consumer credit



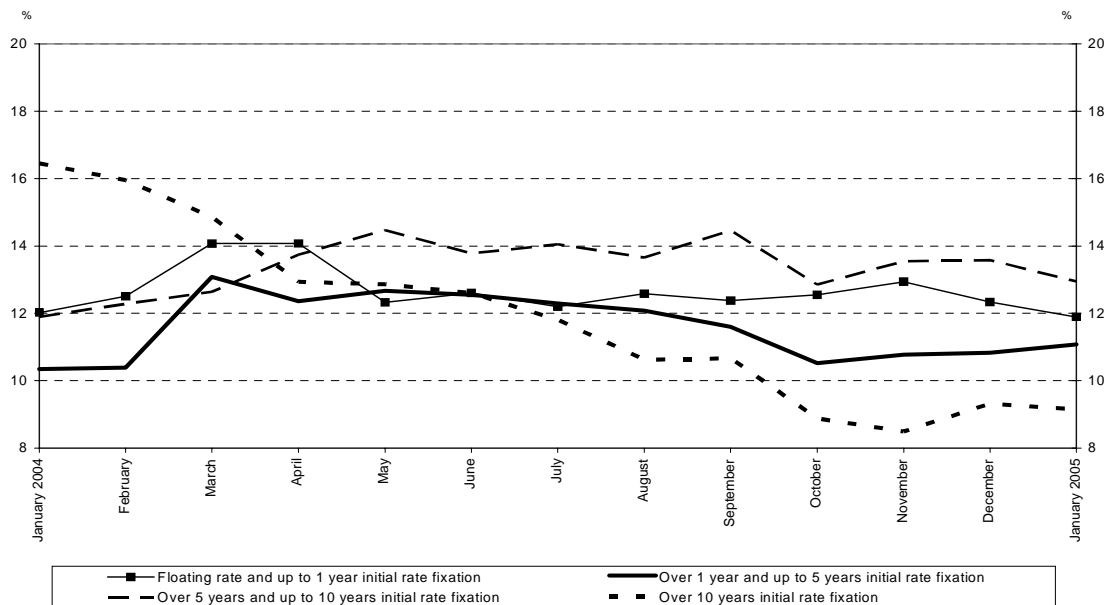
The average interest rate on consumer credit provided to the household sector with a floating interest rate or with up to 1 year initial rate fixation rose by 84 basis points, from 21.32% to 22.16%, and that with over 1 and up to 5 years initial rate fixation by 475 basis points, from 15.94% to 20.69%. The average interest rate on consumer credit with over 5 years initial rate fixation saw a 37 basis point change downwards, from 15.20% to 14.83%.

Chart 3 Monthly average APR on consumer credit



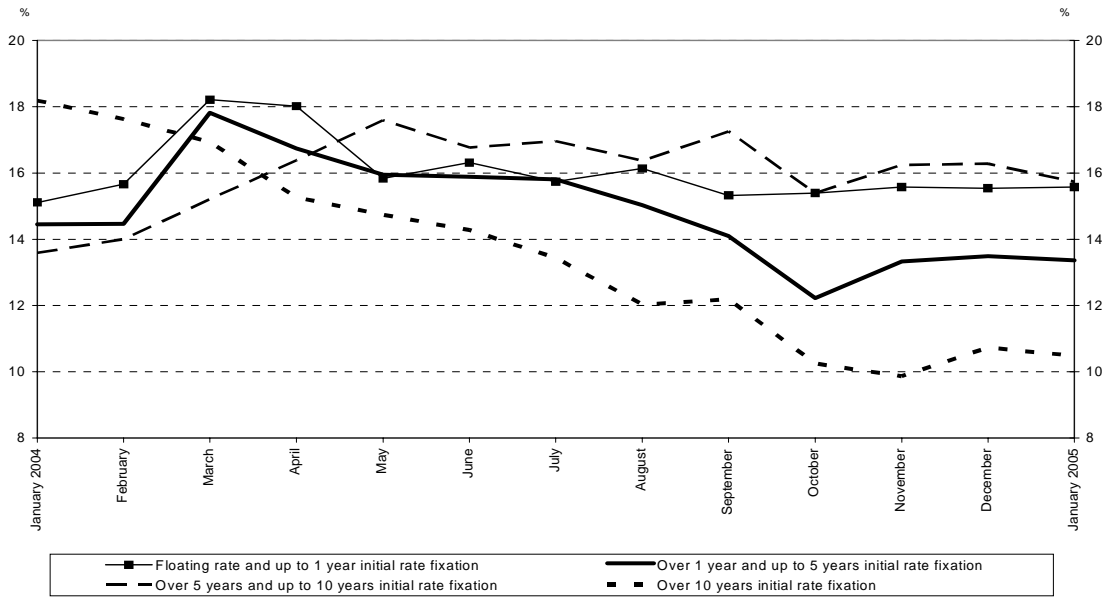
The average APR on consumer credit provided to the household sector with a floating interest rate or with up to 1 year initial rate fixation rose by 35 basis points, from 30.88% to 31.23%, and that with over 1 and up to 5 years initial rate fixation by 311 basis points, from 26.97% to 30.08%. The average interest rate on consumer credit with over 5 years initial rate fixation saw a 25 basis point change downwards, from 26.65% to 26.40%.

Chart 4 Monthly average interest rates on housing loans



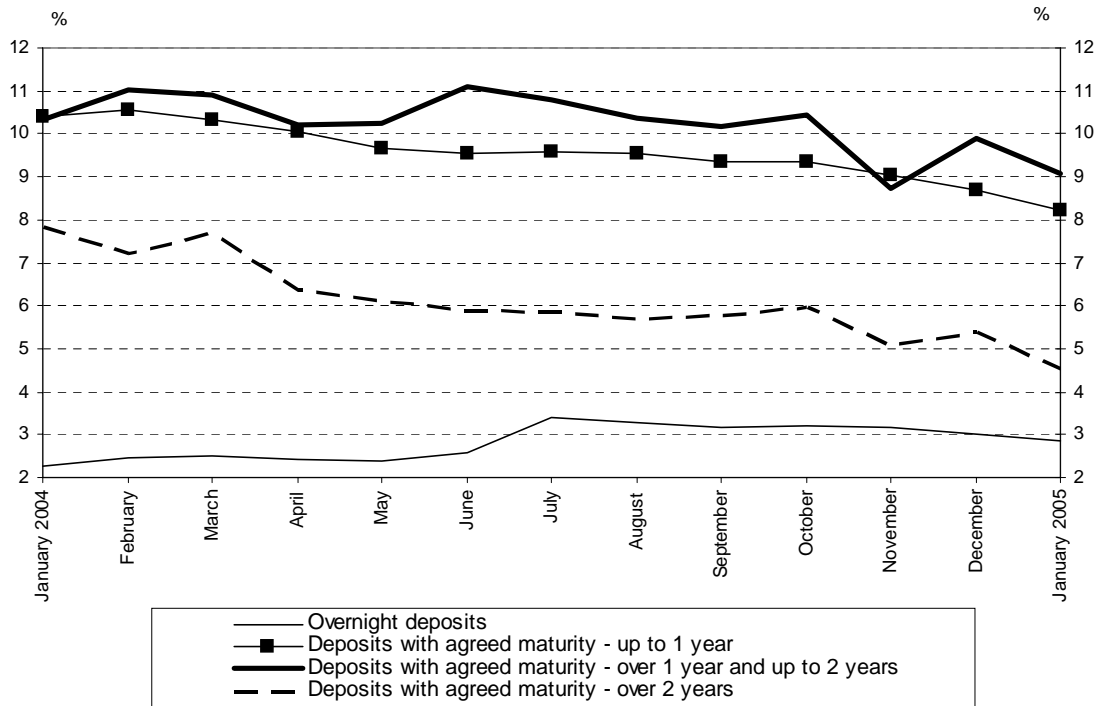
The average interest rate on loans for house purchase with floating interest rates or with up to 1 year initial rate fixation was down by 45 basis points, from 12.34% to 11.89%, that on loans with over 1 year and up to 5 years initial rate fixation rose by 25 basis points, from 10.83% to 11.08%, and that on loans with over 5 years and up to 10 years initial rate fixation fell by 63 basis points, from 13.57% to 12.94%. The average interest rate on loans for house purchase with over 10 years initial rate fixation saw a fall of 18 basis points, from 9.32% to 9.14%.

Chart 5 Monthly average APR on housing loans



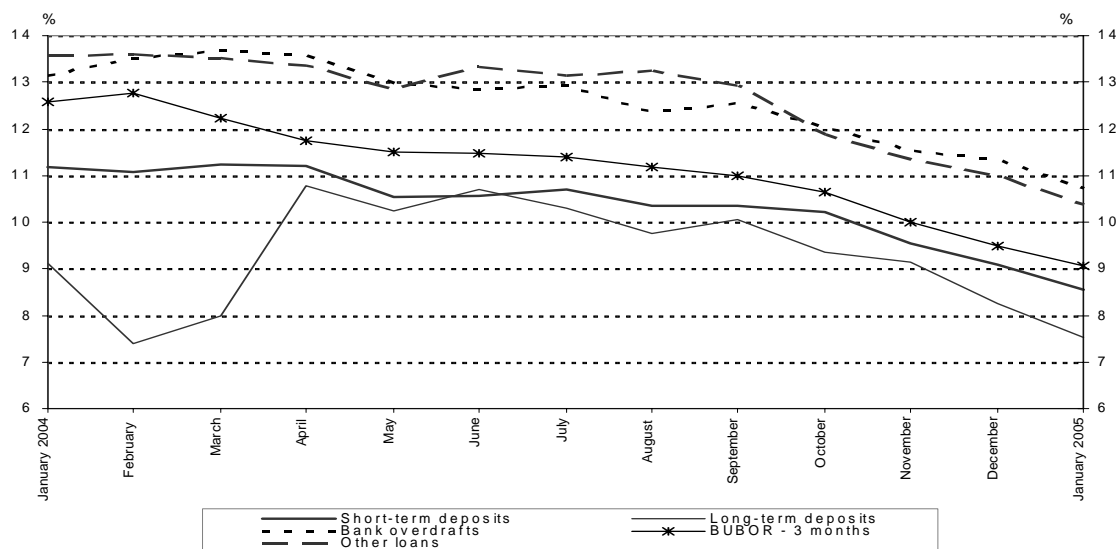
The average APR on loans for house purchase with floating interest rates or with up to 1 year initial rate fixation edged up by 5 basis points, from 15.53% to 15.58%. That on loans with over 1 year and up to 5 years initial rate fixation fell by 13 basis points, from 13.49% to 13.36%, that on loans with over 5 years and up to 10 years initial rate fixation by 55 basis points, from 16.28% to 15.73%, and that on loans for house purchase with over 10 years initial rate fixation by 25 basis points, from 10.73% to 10.48%.

Chart 6 Monthly average interest rates on household deposits



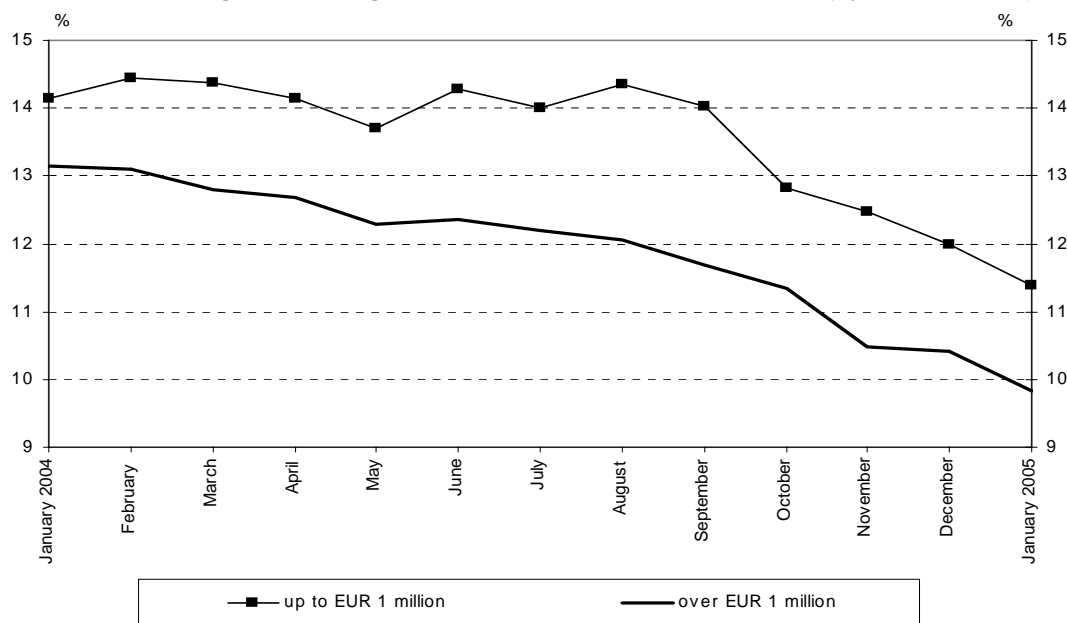
The average of interest rates on households' overnight deposits fell by 16 basis points, from 3.02% to 2.86% in one month. The average interest rate on deposits with agreed maturity up to one year fell by 49 basis points, from 8.70% to 8.21%, that on deposits with agreed maturity over 1 year and up to 2 years by 83 basis points, from 9.90% to 9.07%, and that on deposits with agreed maturity over 2 years by 86 basis points, from 5.37% to 4.51%. The amount of new time deposits from households was HUF 589.2 billion in January, up HUF 132.7 billion on the preceding month.

Chart 7 Monthly average interest rates on non-financial corporations' loans and deposits and the BUBOR



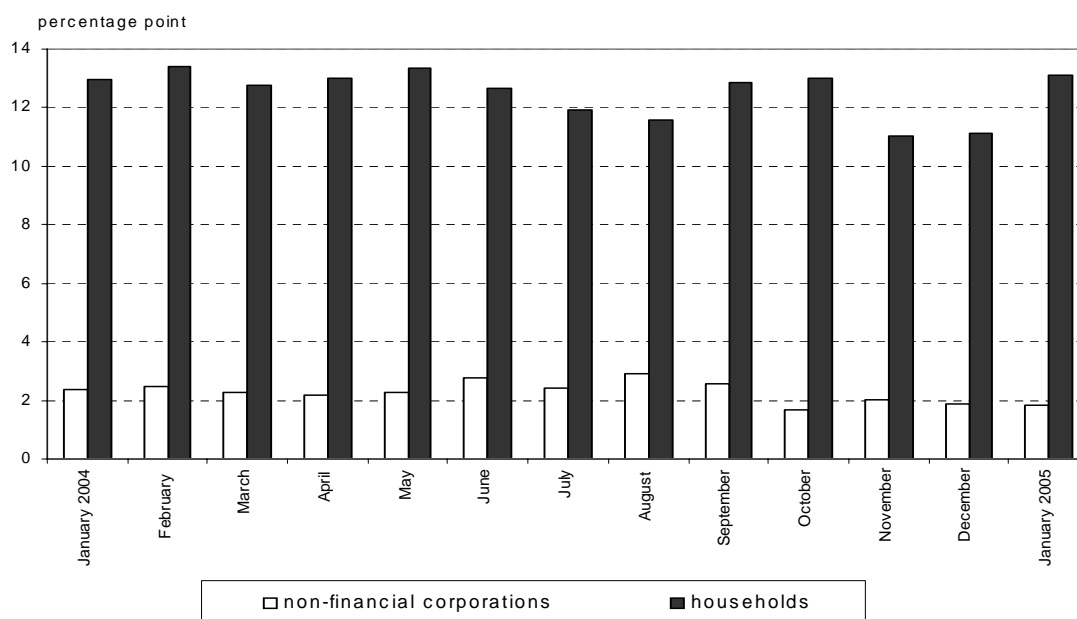
The average interest rate on overdrafts provided to non-financial corporations fell by 60 basis points, from 11.33% to 10.73%, and that of interest rates on loans other than overdrafts by 60 basis points, from 10.98% to 10.38%. The amount of loans granted, excluding overdrafts, was HUF 155.3 billion in January, after falling by HUF 94.6 billion relative to the preceding month. The average of interest rate on deposits with agreed maturity up to one year fell by 55 basis points, from 9.09% to 8.54%, and that of interest rates on deposits with agreed maturity over one year by 72 basis points, from 8.25% to 7.53%. The amount of new time deposits from non-financial corporations was HUF 1,175.6 billion in January. That meant a fall of HUF 119.5 billion relative to December. The average interest rate on overnight and current account deposits saw a change of 14 basis points downwards, from 2.77% to 2.63%.

Chart 8 Average borrowing rates of non-financial corporations (by loan amount)



The average interest rate on loans provided to non-financial corporations up to EUR 1 million,² excluding bank overdrafts, fell by 60 basis points, from 11.99% to 11.39%, and that of loans over EUR 1 million by 58 basis points, from 10.41% to 9.83%.

Chart 9 Differential between non-financial corporate and household sector borrowing and deposit rates



In the household sector, the differential between average interest rates on consumer credit and on deposits with agreed maturity up to one year widened from 11.14 percentage points in December to 13.12 percentage points in January. At short maturities, which account for a

² Forint-denominated loans are converted into euros at the MNB's middle exchange rate for the last day of the month. The interest rates only refer to forint loans. Consequently, loans denominated and recorded in forints are converted into euros retrospectively. Conversion is important to make Hungarian data comparable with those of the European Central Bank and euro area Member States.

significant share within NFC sector loans and deposits, the gap between average interest rates narrowed from 1.89 percentage points to 1.83 percentage points.

Chart 10 Average official and forint interbank rates in January 2005

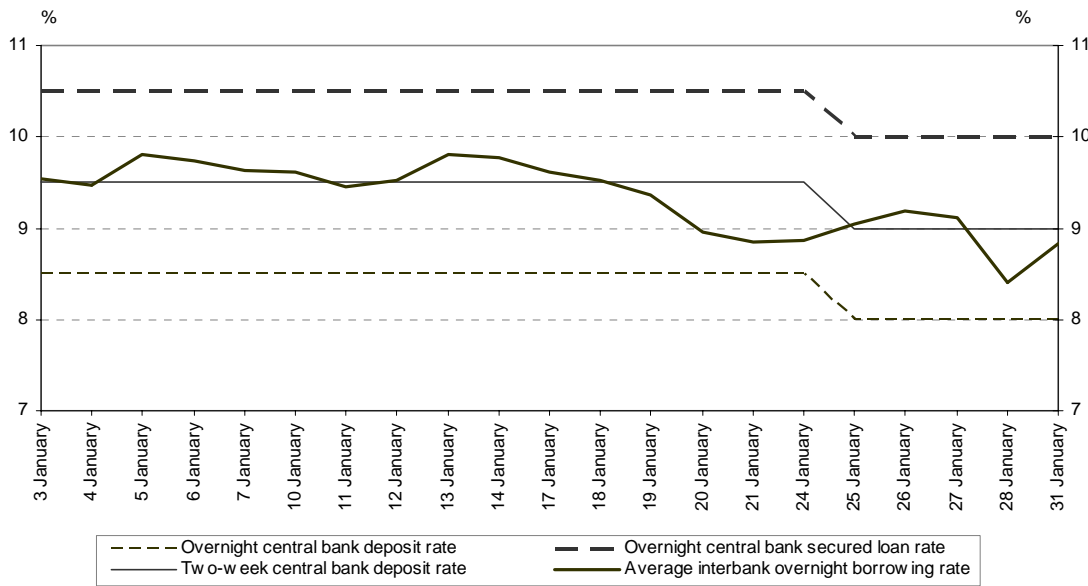
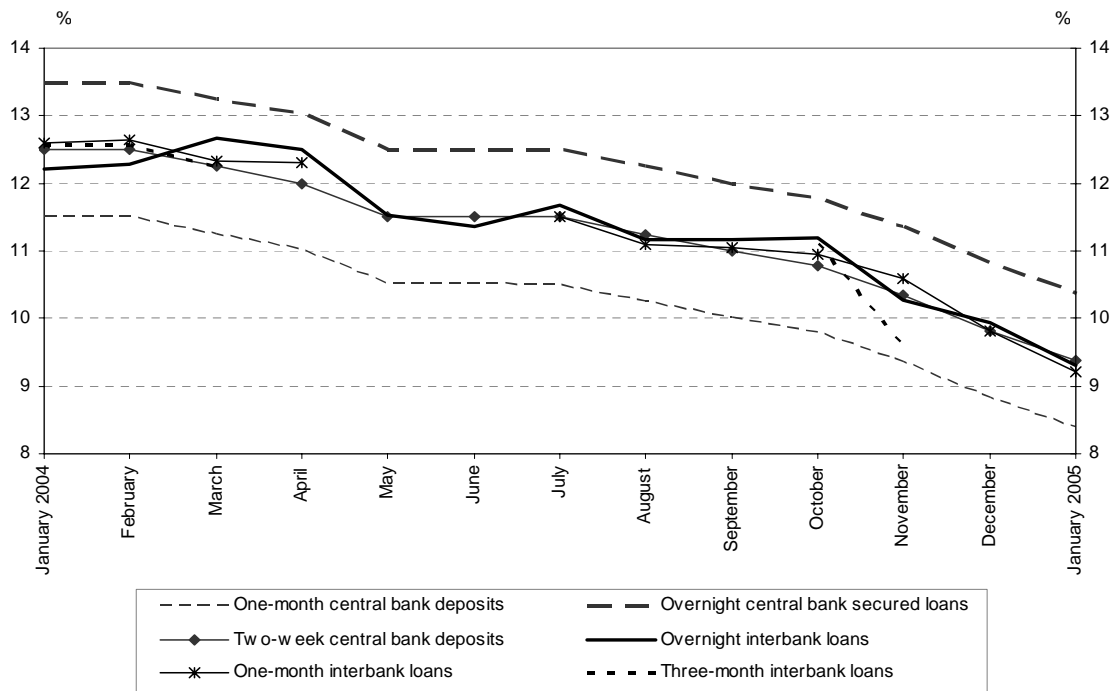


Chart 11 Average official and forint interbank rates³



Turnover in the forint interbank market amounted to HUF 2,700.7 billion in January. That was HUF 550.9 billion lower than in the preceding month. The average overnight lending rate, weighted by the total amount of transactions, fell by 62 basis point, from 9.93% to 9.31%, and that on loans provided for one month by 60 basis points, from 9.82% to 9.22%. No interbank loan was made at three months in the month under review.

³ No interbank loan has been made at three months in since November 2004.

* * * * *

Daily interbank rates are available on request at the MNB's External Communications Department. In addition, details of average interest rates and the amounts of new loans and deposits in the reference month which the MNB uses to calculate average interest rates as well as interest rates, weighted by month-end stocks, are available on the Bank's website at:

NFCs:

http://www.mnb.hu/Resource.aspx?ResourceID=mnbfile&resourcename=en0901_vallalkozoi

Households:

http://www.mnb.hu/Resource.aspx?ResourceID=mnbfile&resourcename=en0902_lakossagi

Interbank market:

http://www.mnb.hu/Resource.aspx?ResourceID=mnbfile&resourcename=en0903_bankkozi

MAGYAR NEMZETI BANK
STATISTICS DEPARTMENT

Notes to the press release charts

Chart 1

- a) Average interest rates on consumer credit, housing loans and other loans refer to new contracts. By contrast, the interest rate on overdrafts refers to end-of-month stocks. Consequently, the Bank uses the total amount of new loans and the end-of-month stocks as weights to calculate average interest rates on the first three categories of loans and on overdrafts, respectively. Average interests rate do not include those on non-performing loans.
- b) Other loans include, among others, sole proprietors' entrepreneurial loans as well as non-consumer and loans for purposes other than house purchase.
- c) In addition to interest rates on consumer credit and other loans, the Bank also publishes the APR expressing total costs of consumer credit and housing loans of the household sector. The method underlying the calculation of the APR, published by the MNB, is identical to that defined by Government Decree No. 41/1997, and it is applicable to all types of consumer credit and housing loans, irrespective of maturity.

Charts 2 and 3

From January 2003, contractual data on loans are broken down by initial interest rate fixation instead of original maturity. Interest rate fixation refers to the period for which the interest rate is fixed in loan contracts. All floating rate loans and part of fixed interest loans, where the interest rate is fixed for up to 1 year in the original contracts, are classified in to the category 'Floating rate or up to 1 year initial rate fixation'.

Charts 4 and 5

- a) The weighted average interest rate on housing loans include data on loans provided under market conditions and on subsidised loans. Data providers adjust the averages of assets-side subsidised interest rates by adding to the interest rate charged to customers the amount of government subsidy. In the case of liabilities-side subsidised loans, they add to the interest rate charged to customers the difference between the reference yield on government securities, nearest to the term of the loan, and the interest rate on funds borrowed in the interbank market. Consequently, interest rates on housing loans also depend on variations in money and capital market interest rates.
- b) From January 2003, contractual data on loans are broken down by initial interest rate fixation instead of original maturity. Interest rate fixation refers to the period for which the interest rate is fixed in loan contracts. All floating rate loans and part of fixed interest loans where the interest rate is fixed for up to 1 year in the original contracts are classified in to the category 'Floating rate or up to 1 year initial rate fixation'.

Chart 6

Average interest rates on time deposits are calculated using the total amount of new loans as weight, in contrast with those on overnight and current account deposits, which are calculated using end-of-month stocks as weights. Time deposits are classified into the various categories on the basis of original maturity.

Chart 7

Average interest rates on time deposits are calculated using the total amount of new loans as weight, while those on overnight and current account deposits are calculated using end-of-month stocks as weights. Consequently, except in the case of overdrafts, the Bank uses the amounts of

new loans and the end-of-month stocks of overdrafts as weights to calculate average interest rates. The average interest rate does not include interest rates on non-performing loans.

Chart 8

The euro equivalent of forint-denominated loans is calculated using the MNB's central exchange rate for the last day of the month. The interest rates only refer to forint-denominated loans. Consequently, loans denominated and recorded in forints are converted into euros retrospectively.