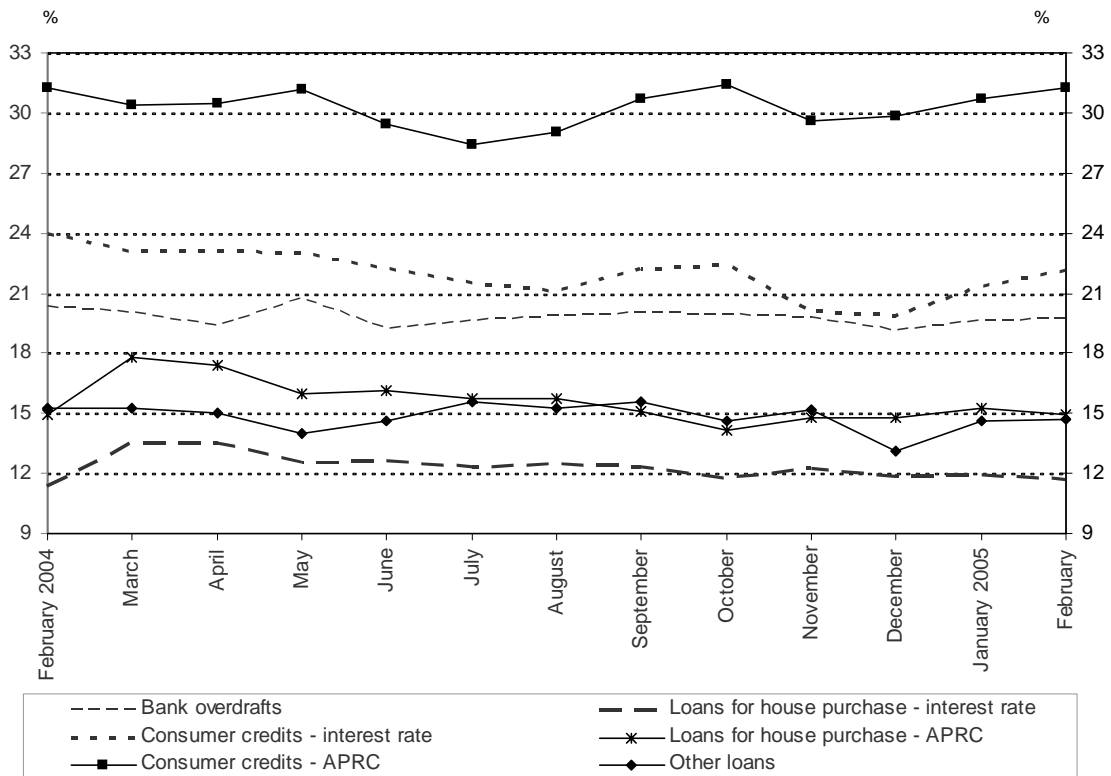


PRESS RELEASE

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

In February 2005, average interest rates on overdraft facilities, consumer credit and other loans to the household sector rose. By contrast, average interest rates on loans for house purchase fell. Average interest rates on the sector's overnight and current account deposits rose, while average interest rates on the sector's time deposits edged down at every maturity. The averages of interest rates on non-financial corporations' loans and time deposits fell, while average interest rates on overnight and current account deposits slightly edged up. 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 11 basis points from 19.60% in January to 19.71% in February 2005. The average interest rate on housing loans edged down by 27 basis points from 11.96% to 11.69%. The APR also fell by 27 basis points from 15.22% to 14.95%. The average interest rate on consumer

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.

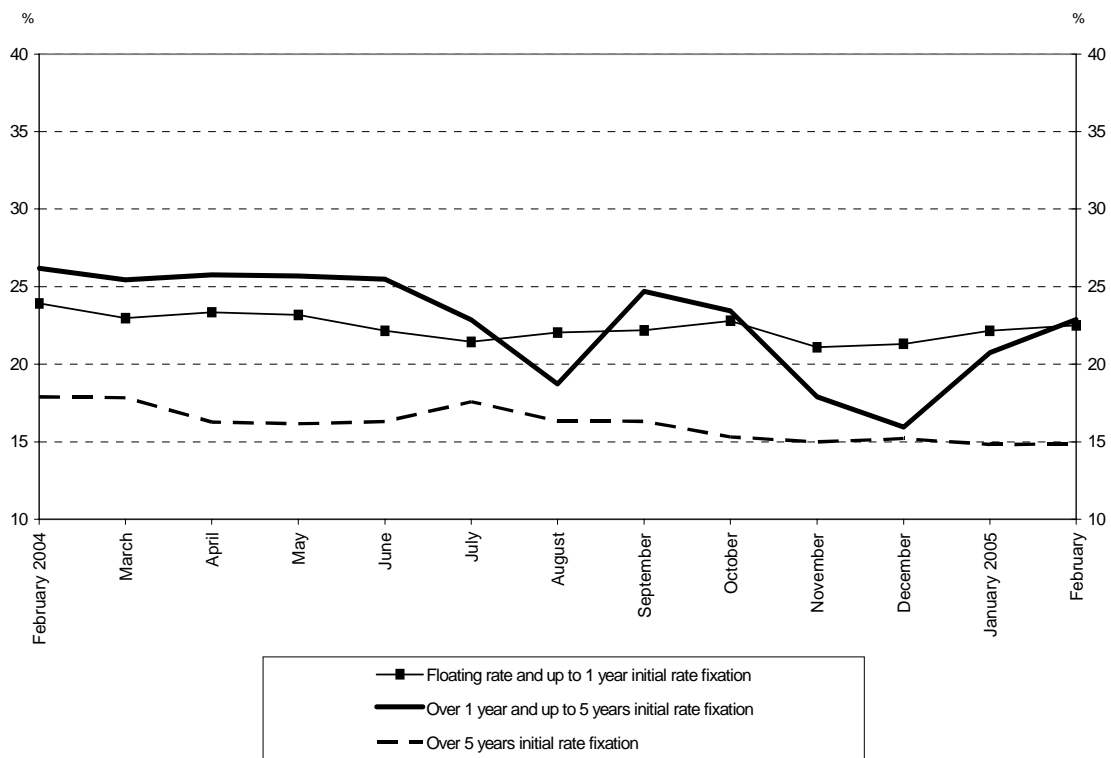
credit rose by 78 basis points from 21.34% in January to 22.12%, with APR rising by 59 basis points from 30.69% to 31.28%. The average interest rate on other loans was up by 3 basis points from 14.64% to 14.67%.

The amount of consumer credit provided was HUF 15.3 billion in February 2005. That was HUF 1.2 billion higher than in the preceding month. Excluding overdrafts, consumer credit as a proportion of new loans rose from 45.5% in January to 47.2% in February.

The amount of loans granted for house purchase was HUF 13.7 billion in February, up HUF 0.2 billion on the preceding month. Excluding overdrafts, housing loans as a proportion of new loans fell from 43.5% in January to 42.1% in February.

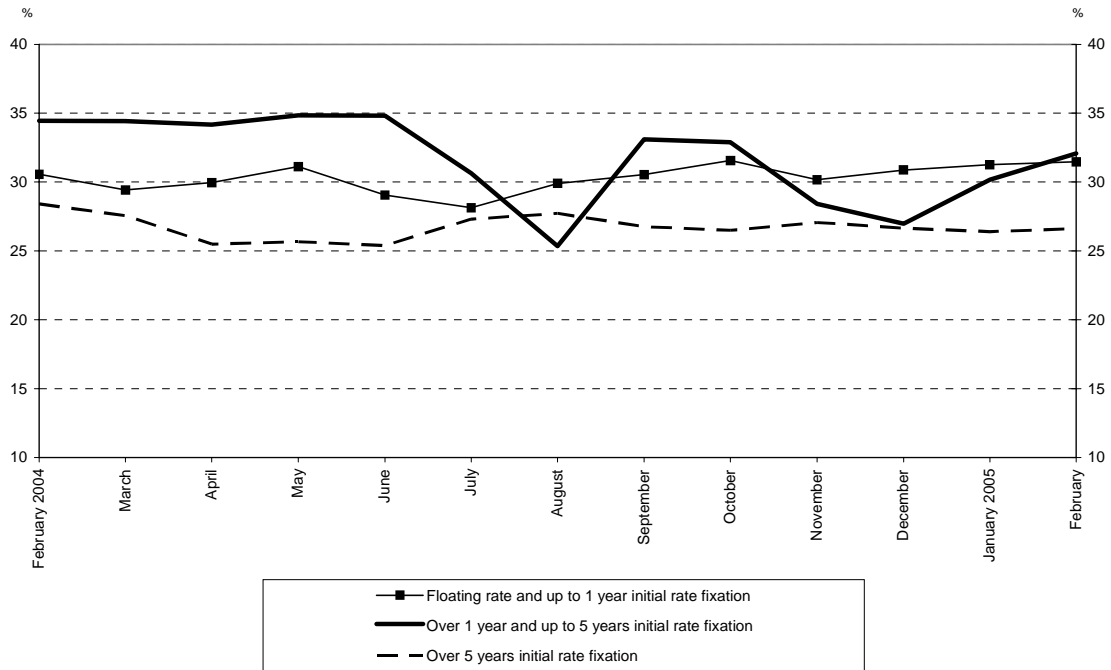
The amount of other loans granted was HUF 3.5 billion in February, accounting for 10.8% of the total amount of new loans, excluding overdrafts. The amount of new other loans rose by HUF 0.1 billion, their percentage share of the total falling by 0.2 percentage point in one month.

Chart 2 Monthly average interest rates on consumer credit



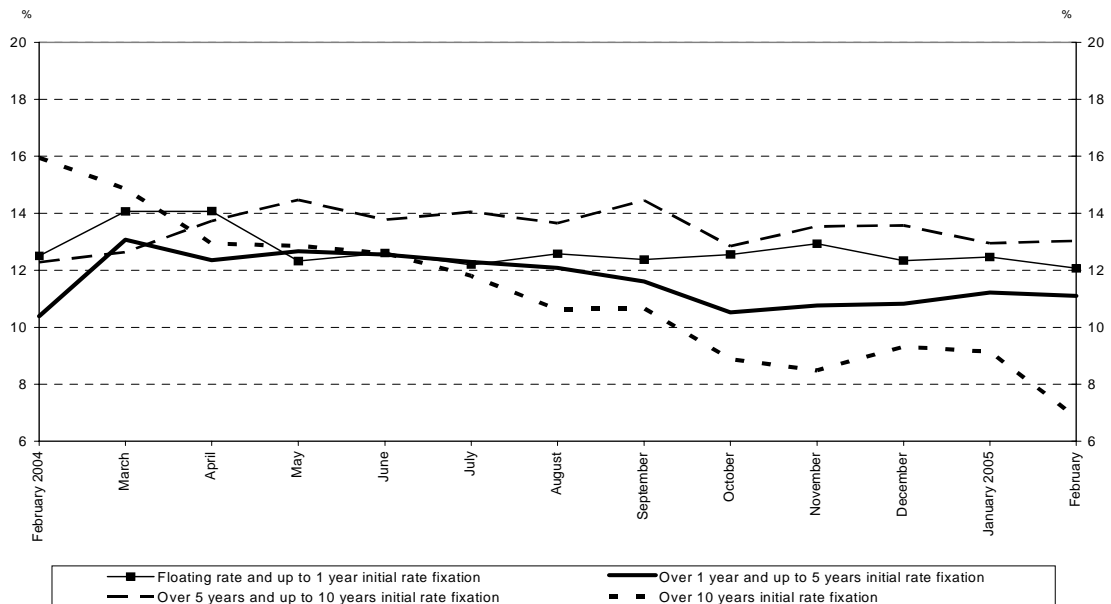
The average interest rate on consumer credit provided to the household sector with a floating interest rate or with up to 1 year initial rate fixation rose by 35 basis points from 22.16% to 22.51%, and that with over 1 and up to 5 years initial rate fixation by 213 basis points from 20.75% to 22.88%. The average interest rate on consumer credit with over 5 years initial rate fixation saw a 1-basis point change upwards, from 14.83% to 14.84%.

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 22 basis points from 31.25% to 31.47%, and that with over 1 and up to 5 years initial rate fixation by 188 basis points from 30.18% to 32.06%. The average interest rate on consumer credit with over 5 years initial rate fixation saw a 21-basis point rise from 26.4% to 26.61%.

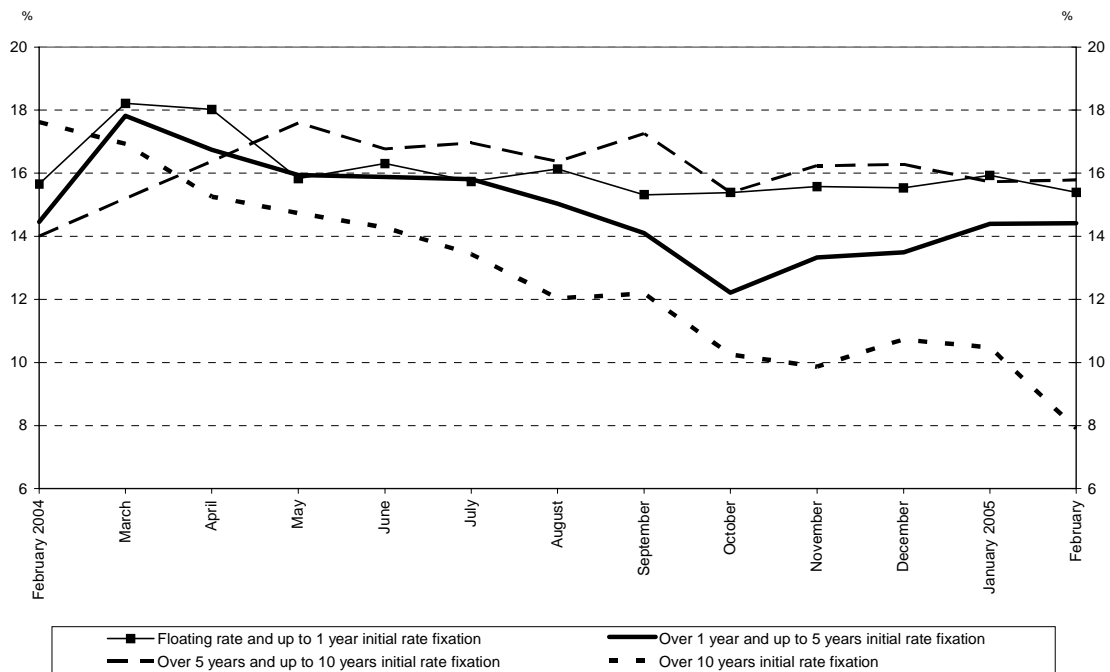
Chart 4 Monthly average interest rates on housing loans



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 39 basis points from 12.46% to 12.07%, that on loans with over 1 year and up to 5 years initial rate fixation by 13 basis points from 11.22% to 11.09%, and that on loans with over 5 years and up to 10 years initial rate

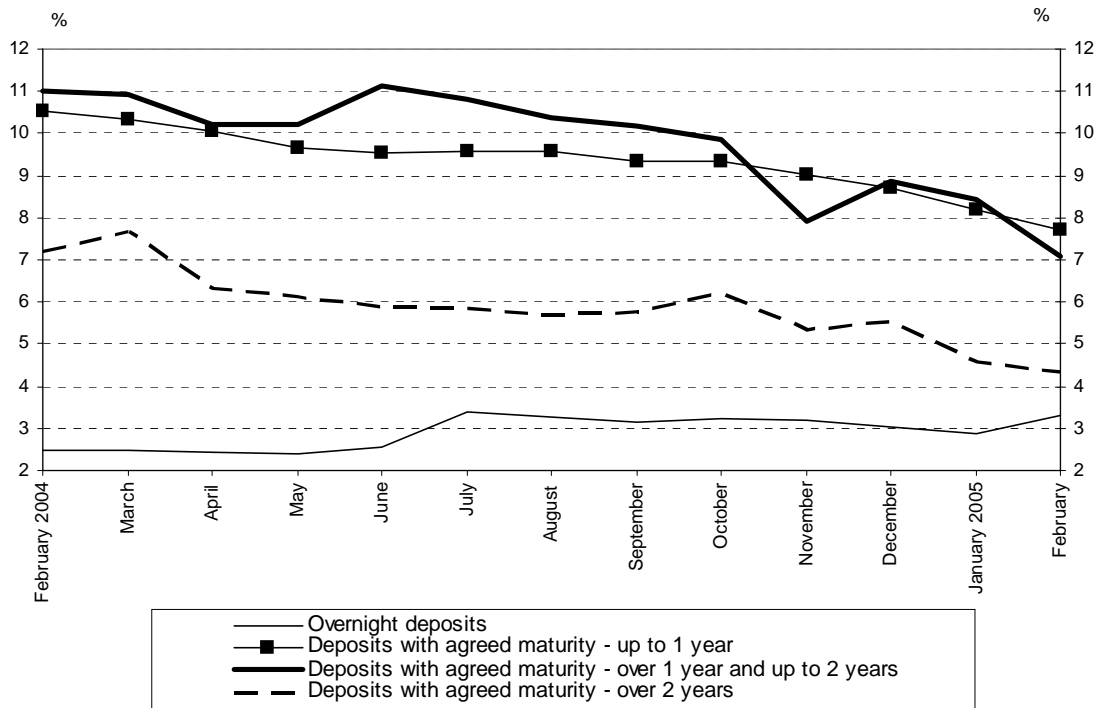
fixation rose by 10 basis points from 12.94% to 13.04%. The average interest rate on loans for house purchase with over 10 years initial rate fixation saw a fall of 230 basis points from 9.14% to 6.84%.

Chart 5 Monthly average APR on housing loans



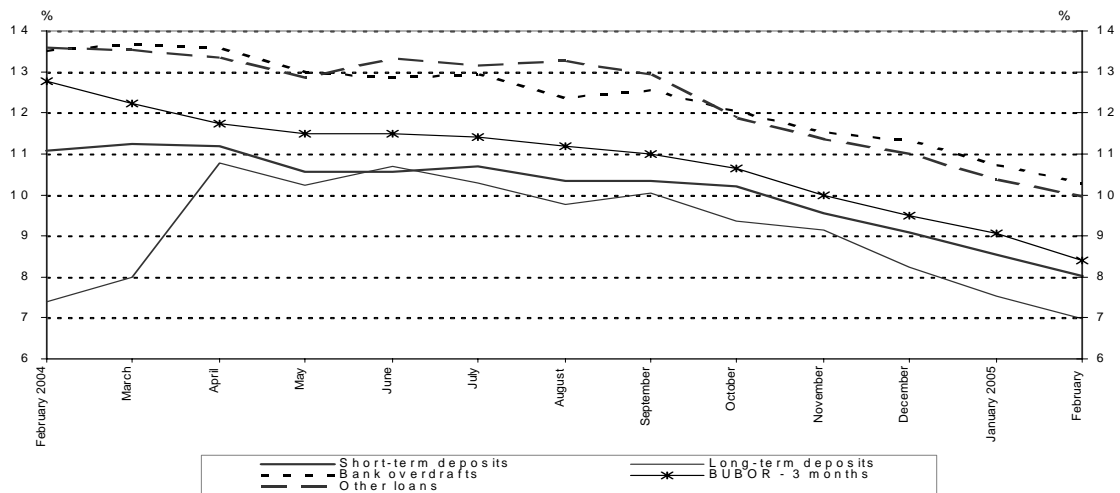
The average APR on loans for house purchase with floating interest rates or with up to 1 year initial rate fixation edged down by 53 basis points from 15.93% to 15.40%, that on loans with over 1 year and up to 5 years initial rate fixation edged up by 1 basis point from 14.40% to 14.41%, that on loans with over 5 years and up to 10 years initial rate fixation rose by 6 basis points from 15.73% to 15.79%, that on loans for house purchase with over 10 years initial rate fixation was down by 257 basis points from 10.48% to 7.91%.

Chart 6 Monthly average interest rates on household deposits



The average of interest rates on households' overnight deposits rose by 46 basis points from 2.86% in January to 3.32% in February. The average interest rate on deposits with agreed maturity up to one year fell by 49 basis points from 8.21% to 7.72%, that on deposits with agreed maturity over 1 year and up to 2 years by 133 basis points from 8.41% to 7.08%, and that on deposits with agreed maturity over 2 years by 23 basis points from 4.59% to 4.36%. The amount of new time deposits from households was HUF 566.5 billion in February, down HUF 22.7 billion on the preceding month.

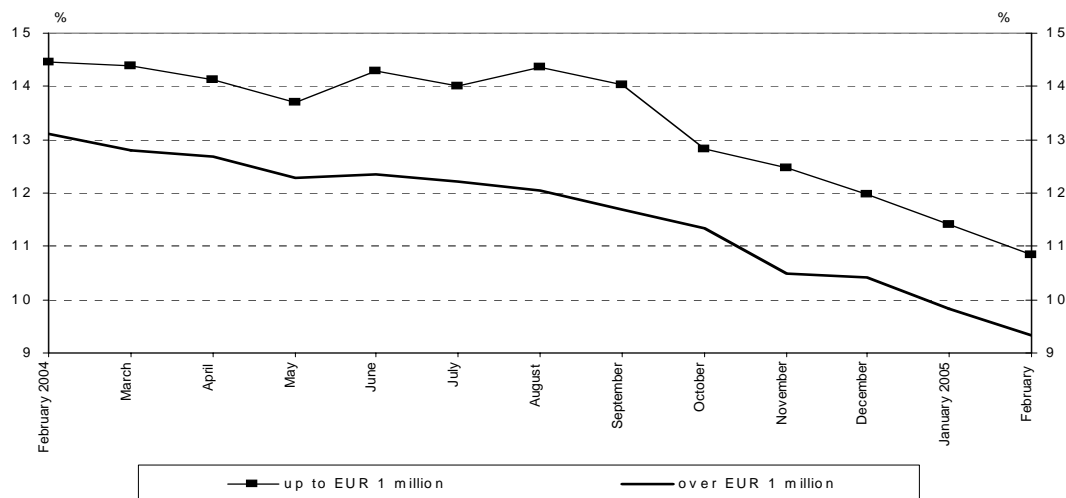
Chart 7 Monthly average interest rates on non-financial corporations' loans and deposits and the BUBOR



The average interest rate on overdrafts provided to non-financial corporations fell by 46 basis points from 10.73% to 10.27%, and that of interest rates on loans other than overdrafts by 42 basis points from 10.37% to 9.95%. The amount of loans granted, excluding overdrafts, was HUF 156.9 billion in February, after falling by HUF 2.5 billion relative to the preceding month. The average of interest rate on deposits with agreed maturity up to one year fell by 54 basis points from 8.55% to 8.01%, and that of interest rates on deposits with agreed maturity over one year by 55 basis points from 7.53% to 6.98%. The amount of new time

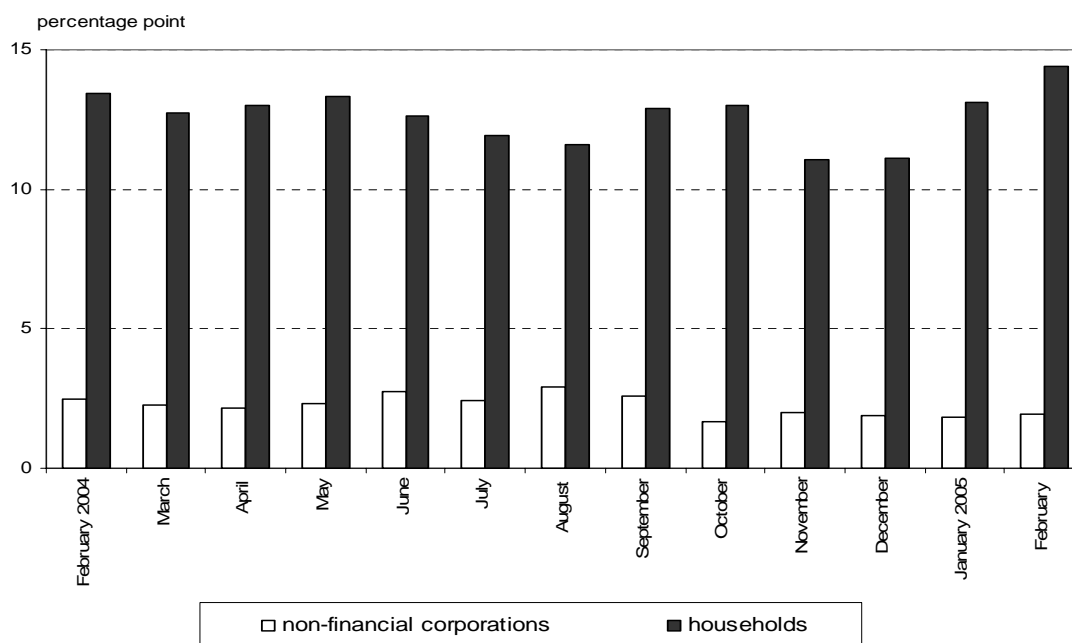
deposits from non-financial corporations was HUF 1000.5 billion in February. That meant a fall of HUF 213.8 billion relative to January. The average interest rate on overnight and current account deposits saw a change of 7 basis points from 2.63% to 2.7%.

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 million² excluding bank overdrafts, fell by 57 basis points from 11.41% to 10.84%, and that on loans over EUR 1 million by 48 basis points from 9.82% to 9.34%.

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 13.14 percentage points in January to 14.4 percentage points in February. At short maturities, which account for a significant

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.

share within NFC sector loans and deposits, the gap between average interest rates widened from 1.82 percentage points to 1.93 percentage points.

Chart 10 Average official and forint interbank rates in February 2005

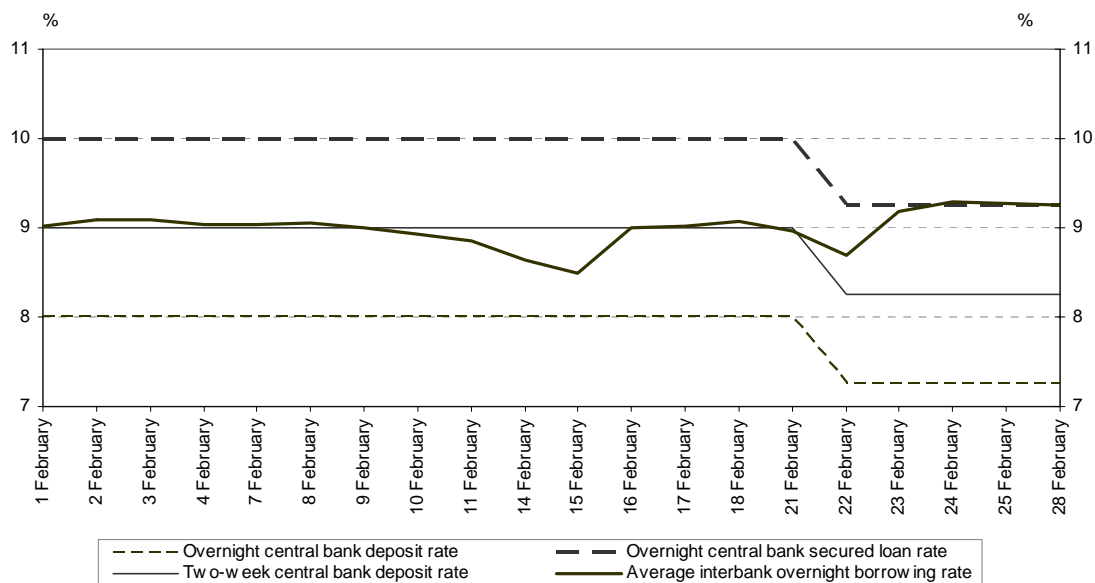
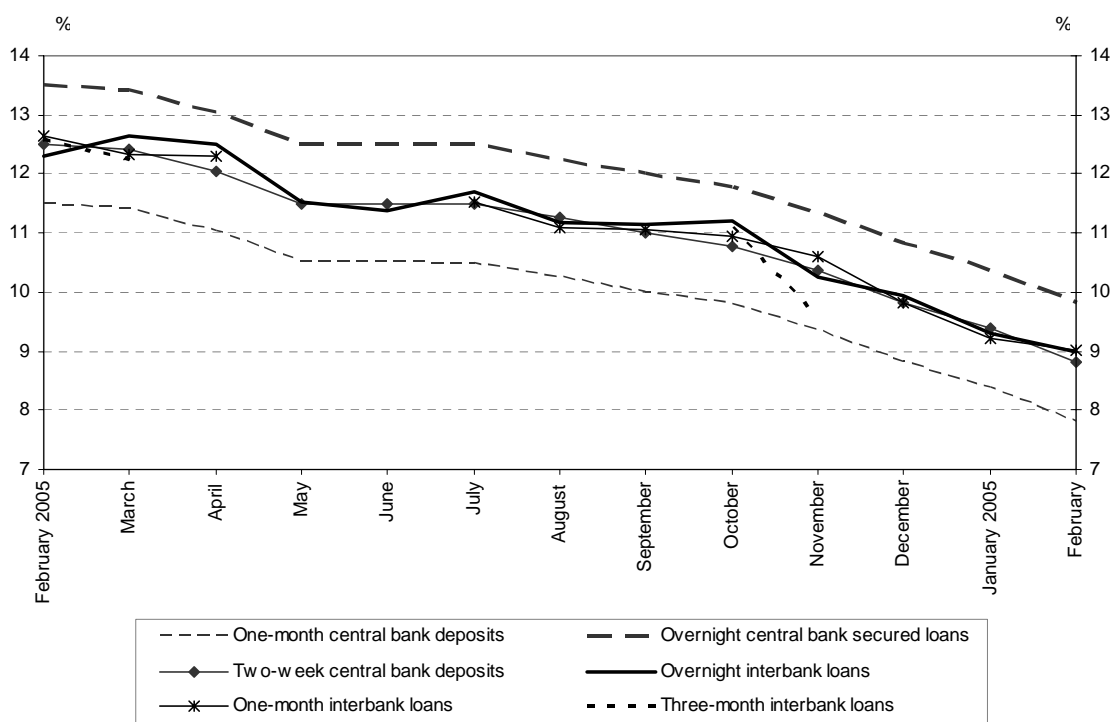


Chart 11 Average official and forint interbank rates



Turnover in the forint interbank market amounted to HUF 2200.4 billion in February. That was HUF 500.3 billion lower than in the preceding month. The average overnight lending rate, weighted by the total amount of transactions, fell 32 basis points from 9.31% to 8.99%, and that on loans provided for one month by 21 basis points from 9.22% to 9.01%. The average lending rate at three months was 8.45% in February 2005.

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=hu0901_vallalkozoi

Households:

http://www.mnb.hu/Resource.aspx?ResourceID=mnbfile&resourcename=hu0902_lakossagi

Interbank

market:

http://www.mnb.hu/Resource.aspx?ResourceID=mnbfile&resourcename=hu0903_bankkazi

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 interest rates 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.