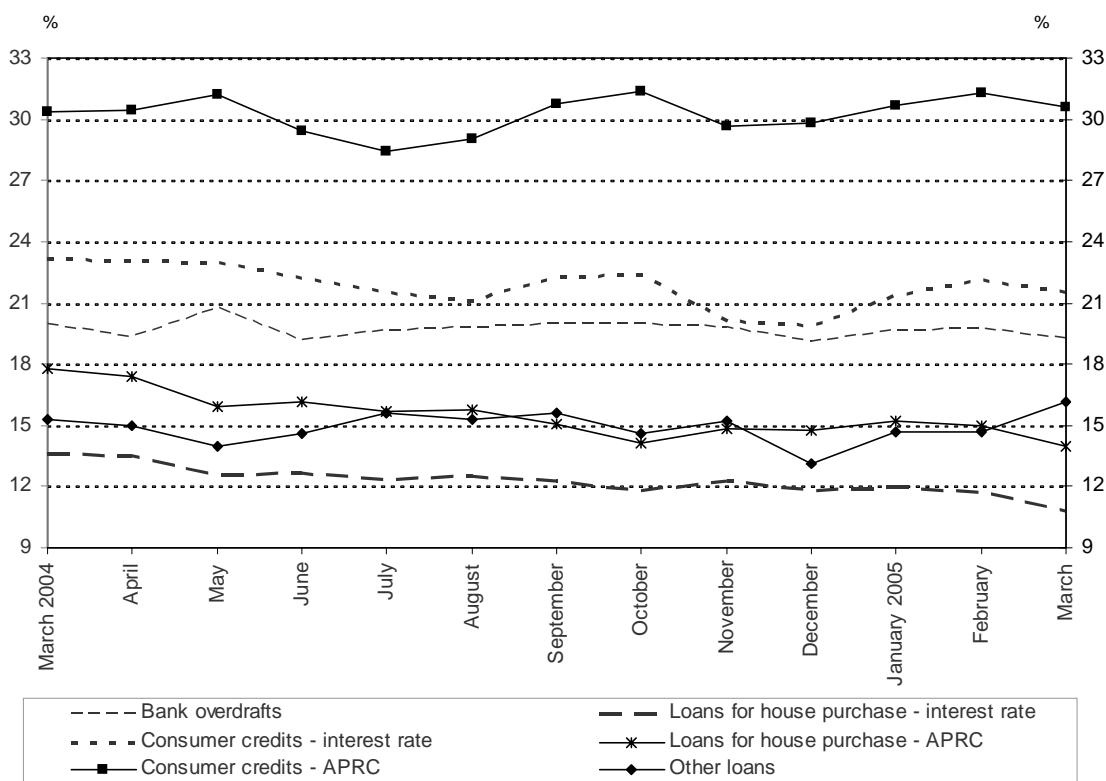


PRESS RELEASE

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

In March 2005, average interest rates on consumer credit and housing loans to households declined, while the average rate on other loans rose. In general, average rates on households' overnight deposits and deposits with agreed maturity fell, whereas those on deposits with agreed maturity over one year but up to 2 years increased. Average interest rates on non-financial corporations' loans and deposits edged down. Average interest rates on interbank loans declined at every maturity.

Chart 1 Monthly average interest rates and APR on loans to households



In the **household sector**, the interest rate on overdrafts fell by 44 basis points from 19.71 per cent in February to 19.27 per cent in March 2005. An 89-basis point decrease was recorded in the average interest rate on housing loans, from 11.69 to 10.80 per cent, while the APR dropped by 99 basis points, from 14.95 to 13.96 per cent. In terms of consumer credit, the average interest rate fell by 63 basis points on the 22.12 per cent measured in February to 21.49 per cent in March, and the APR was down 67 basis points on the February 31.28 per cent to 30.61 per cent. As a result of changes in their composition, the average interest rate of other loans rose by 147 basis points from 14.67 to 16.14 per cent.

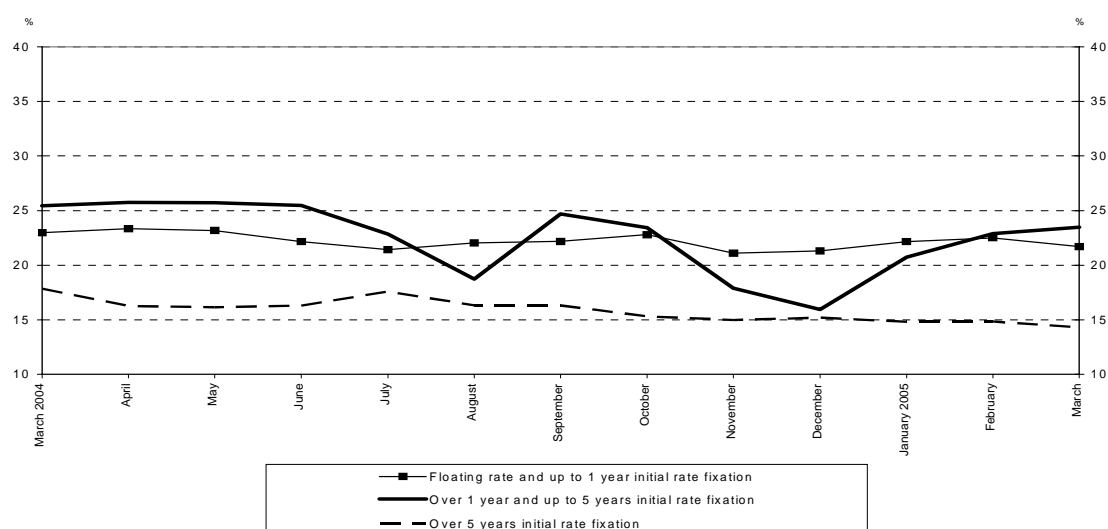
¹ The data underlying this press release do not include those on foreign currency-based forint loans granted by credit institutions, irrespective of the fact that the loans were granted and repaid in forints.

The consumer credit contracts concluded in March 2005 amounted to HUF 19.5 billion, HUF 4.2 billion higher than in the preceding month. Excluding overdrafts, the rate of consumer credit in new contracts fell from 47.2 per cent in February to 51.8 per cent in March 2005.

The total amount of new housing loan contracts was HUF 15.7 billion in March, up HUF 2 billion on the preceding month. Excluding overdrafts, the rate of housing loans within new contracts fell from 42.1 per cent in February to 41.6 per cent in March 2005.

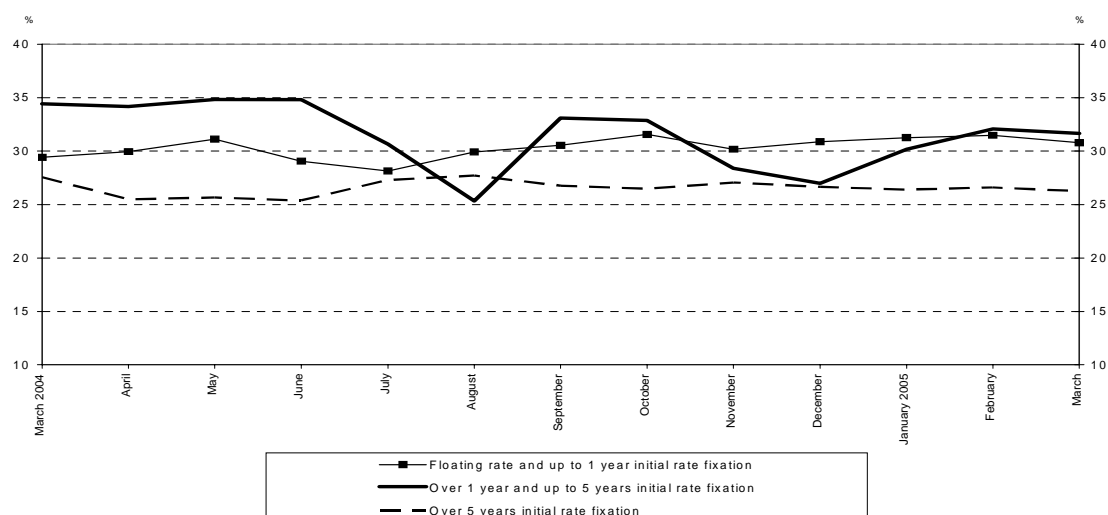
The new contracts concluded for other loans amounted to HUF 2.5 billion in March, accounting for 6.6 per cent of the total amount of loans excluding overdrafts. The amount of new contracts rose by HUF 1 billion and their percentage share in the total by 4.2 percentage points in one month.

Chart 2 Monthly average interest rates on consumer credit



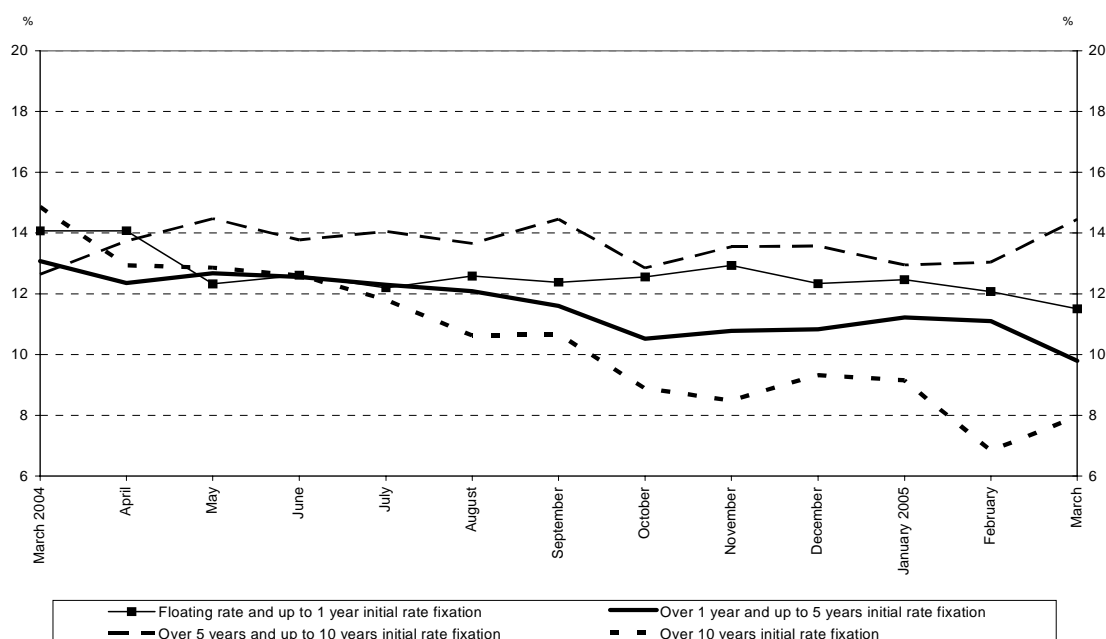
With regard to **consumer credit** to households, the average interest rate fell by 81 basis points on loans with a floating rate or a rate fixed for up to one year (from 22.5 to 21.70 per cent); rose by 62 basis points on loans with a rate fixed for up to 5 years (from 22.88 to 23.50 per cent); and was down 53 basis points on loans with a rate fixed for over 5 years (from 14.84 to 14.31 per cent). Rise in the average interest rate on loans with a rate fixed for over one year and up to 5 years was due to the termination of a credit facility offered on preferential terms.

Chart 3 Monthly average APR on consumer credit



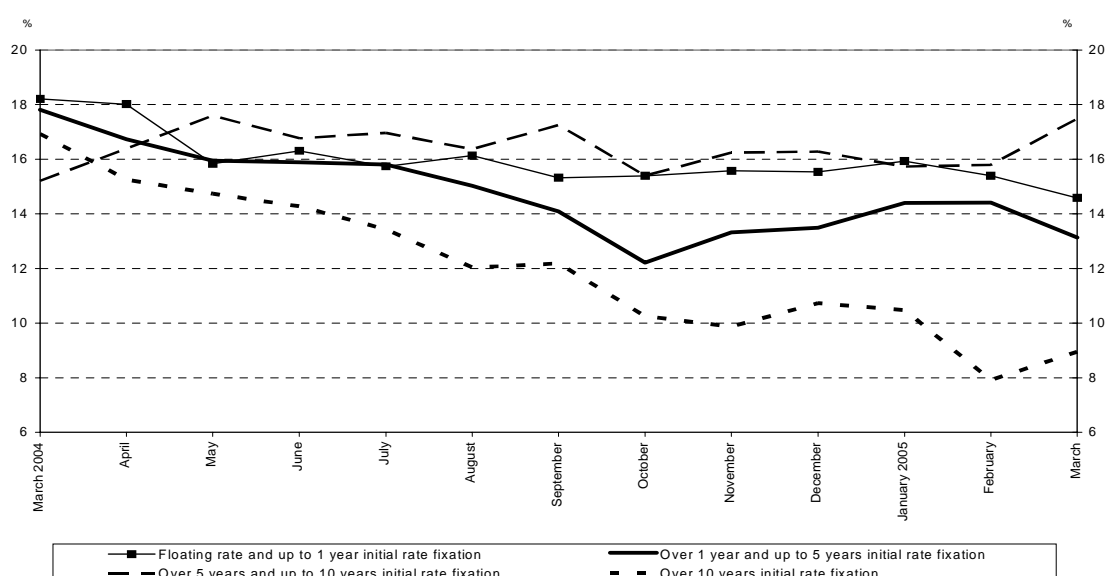
With regard to **consumer credit** to households, the average APRC fell by 69 basis points on loans with a floating rate or a rate fixed for up to one year (from 31.47 to 30.78 per cent); 40 basis points on loans with a rate fixed for up to 5 years (from 32.06 to 31.66 per cent); and 37 basis points on loans with a rate fixed for over 5 years (from 26.61 to 26.24 per cent).

Chart 4 Monthly average interest rates on housing loans



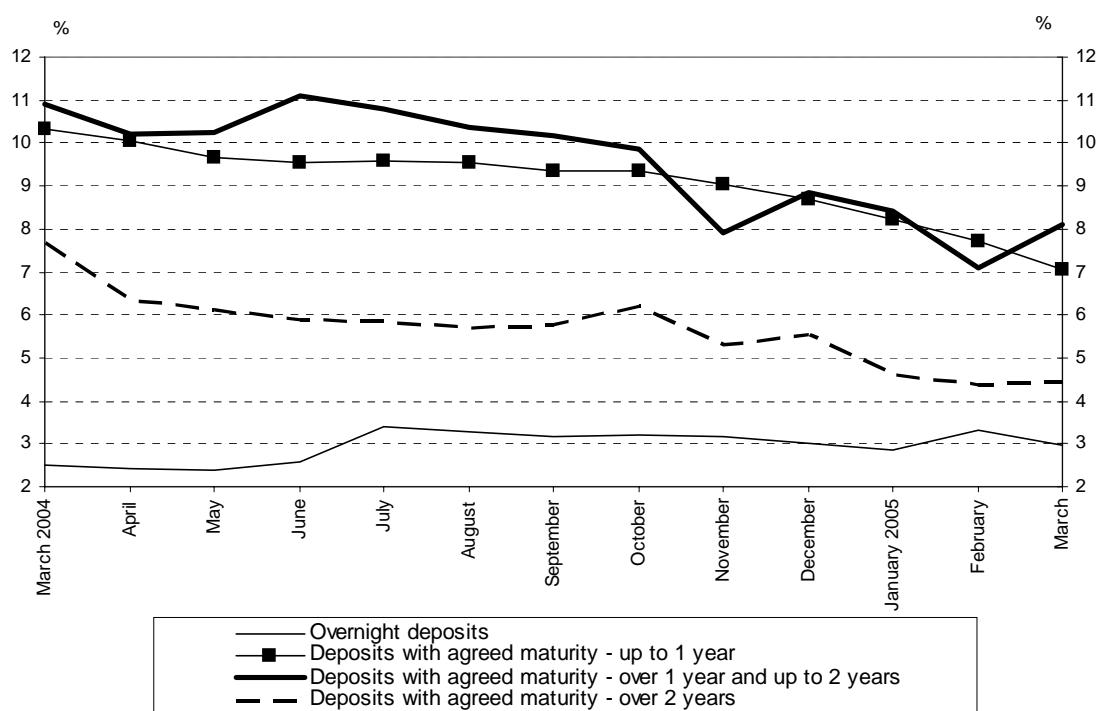
In the case of **housing loans**, in March 2005 the average interest rate on loans with a floating rate or a rate fixed for up to one year fell by 56 basis points (from 12.07 to 11.51 per cent) and 130 basis points on loans with a rate fixed for over one year and up to 5 years (from 11.09 to 9.79 per cent); while the average interest rate on loans with a rate fixed for over 5 years and up to 10 years rose by 141 basis points (from 13.04 to 14.45 per cent) and 112 basis points on loans with a rate fixed for over 10 years (from 6.84 to 7.96 per cent). In the case of loans with a rate fixed for over 5 years, the average interest rate increased as a consequence of a change in the composition.

Chart 5 Monthly average APR on housing loans



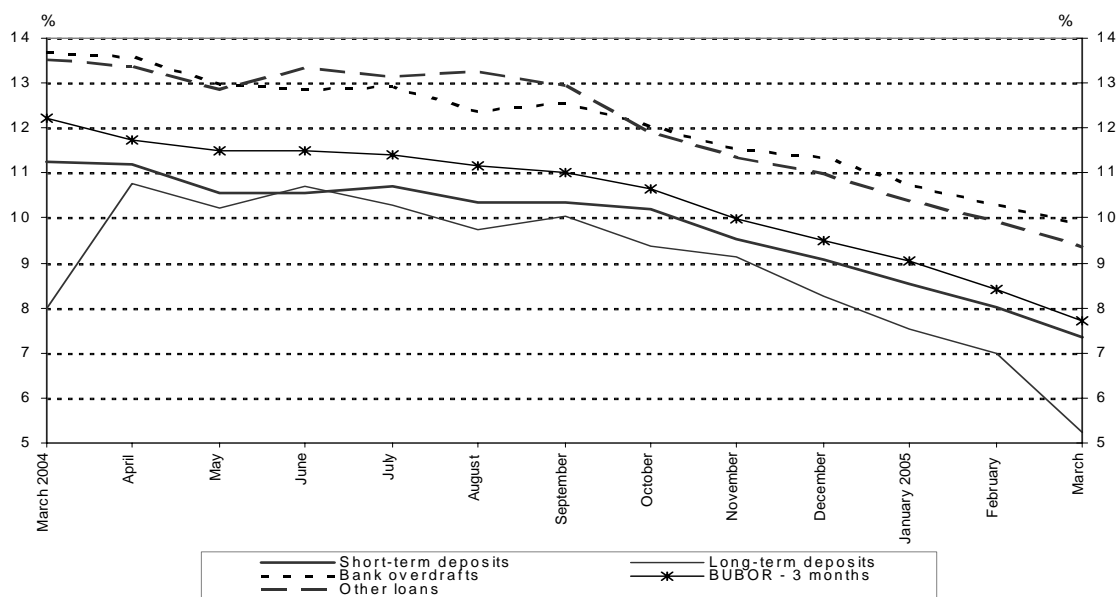
In the case of **housing loans**, the average APR on loans with a floating rate or a rate fixed for up to one year fell by 82 basis points (from 15.40 to 14.58 per cent) and 127 basis points on loans with a rate fixed for over one year and up to 5 years (from 14.41 to 13.14 per cent); while the average APR on loans with a rate fixed for over 5 years and up to 10 years rose by 170 basis points (from 15.79 to 17.49 per cent) and 104 basis points on loans with a rate fixed for over 10 years (from 7.91 to 8.95 per cent. In the case of loans with a rate fixed for over 5 years, the average APR increased as a consequence of a change in the composition.

Chart 6 Monthly average interest rates on household deposits



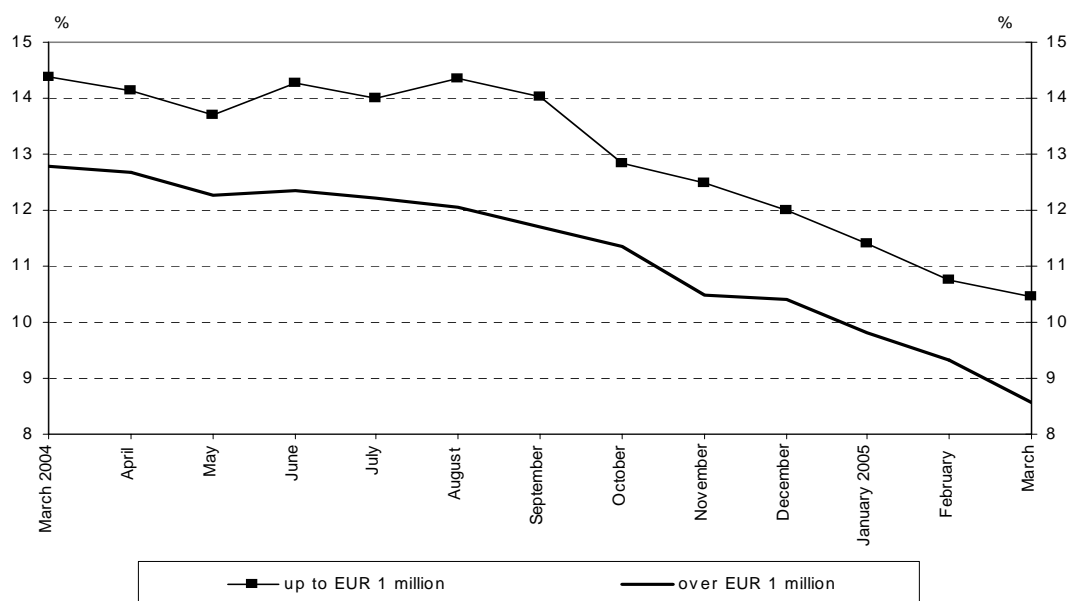
The average of interest rates on households' overnight deposits declined by 35 basis points, from 3.32 per cent in January to 2.97 per cent in March 2005. The average interest rate on deposits with agreed maturity up to one year fell by 67 basis points, from 7.72 to 7.05 per cent. The average interest rate on deposits with agreed maturity over one year and up to 2 years was 101 basis points higher, up from 7.0 to 8.09 per cent, and that on deposits with agreed maturity over 2 years was 7 basis points lower, down from 4.36 to 4.43 per cent. The value of new contracts concluded for deposits with agreed maturity amounted to HUF 566.5 billion, unchanged from the previous month.

Chart7 Monthly average interest rates on non-financial corporations' loans and deposits and the BUBOR



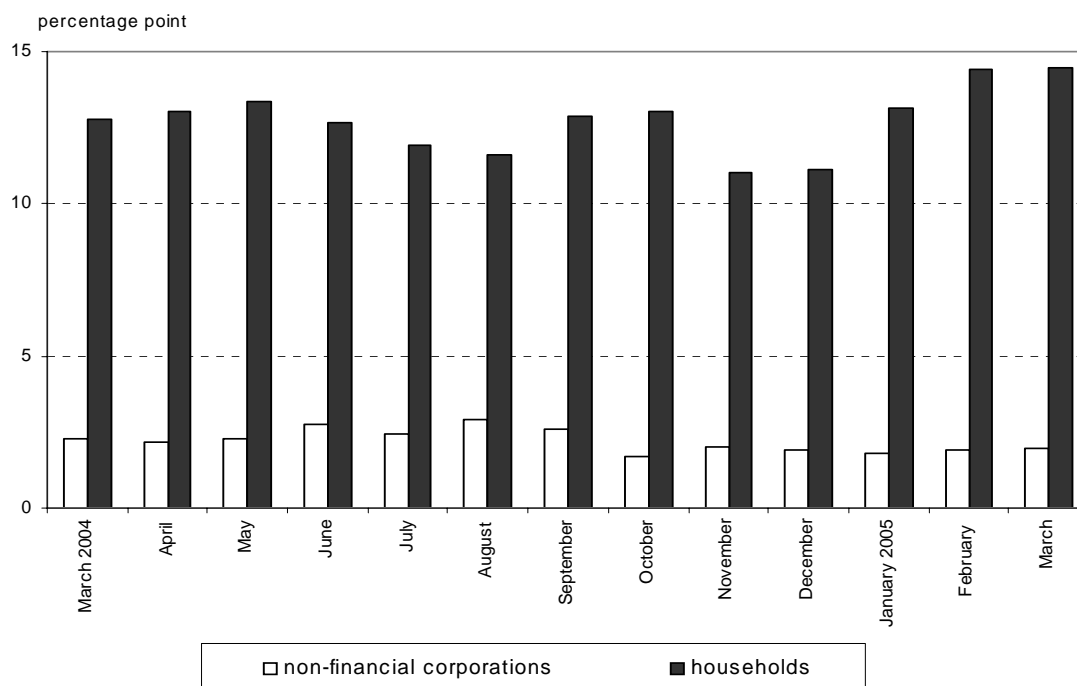
In March 2005, the average interest rate on overdrafts to **non-financial corporations** fell by 41 basis points, from 10.27 to 9.86 per cent, and on loans other than overdrafts by 57 basis points, from 9.93 to 9.36 per cent. Excluding overdrafts, new loans were granted in an amount of HUF 179.8 billion in March, up HUF 18.9 billion on the previous month. The average interest rate on **deposits** with agreed maturity up to one year declined by 64 basis points from 8.01 to 7.37 per cent, and, as a result of a change in the interest rate, by 175 basis points, from 6.89 to 5.23 per cent, on those with agreed maturity over one year. The value of new time deposits made in March 2005 was HUF 1,143.4 billion, up HUF 142.9 billion on the previous month. The average interest rate on overnight and current account deposits increased by 25 basis points, from 2.70 to 2.45 per cent.

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



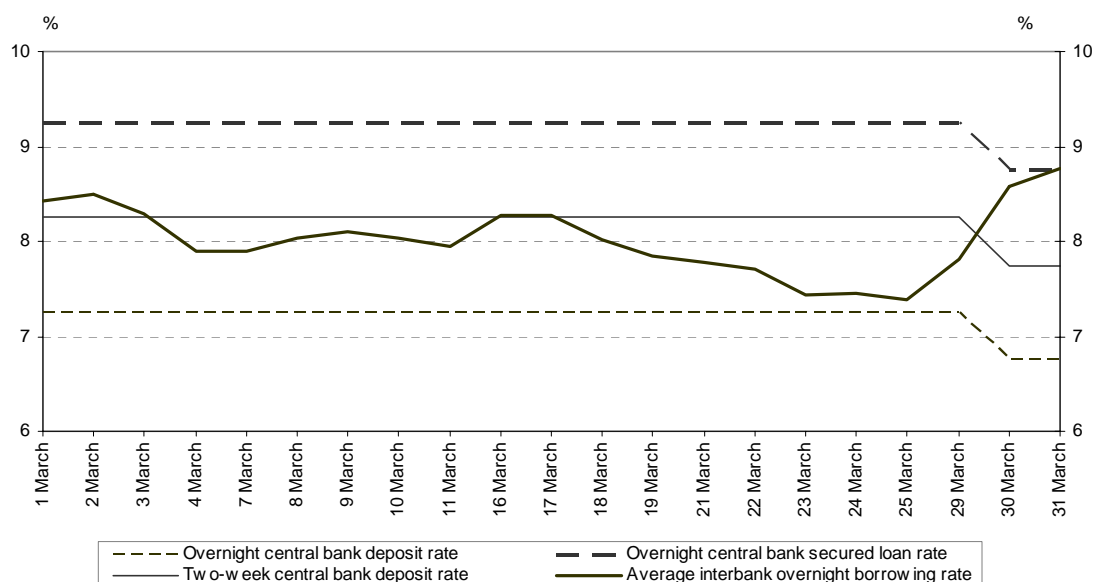
The average interest rate fell by 28 basis points from 10.75 to 10.47 per cent on loans granted to non-financial corporations up to EUR 1 million², excluding bank overdrafts, and by 77 basis points, from 9.34 to 8.57 per cent, on loans over EUR 1 million.

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



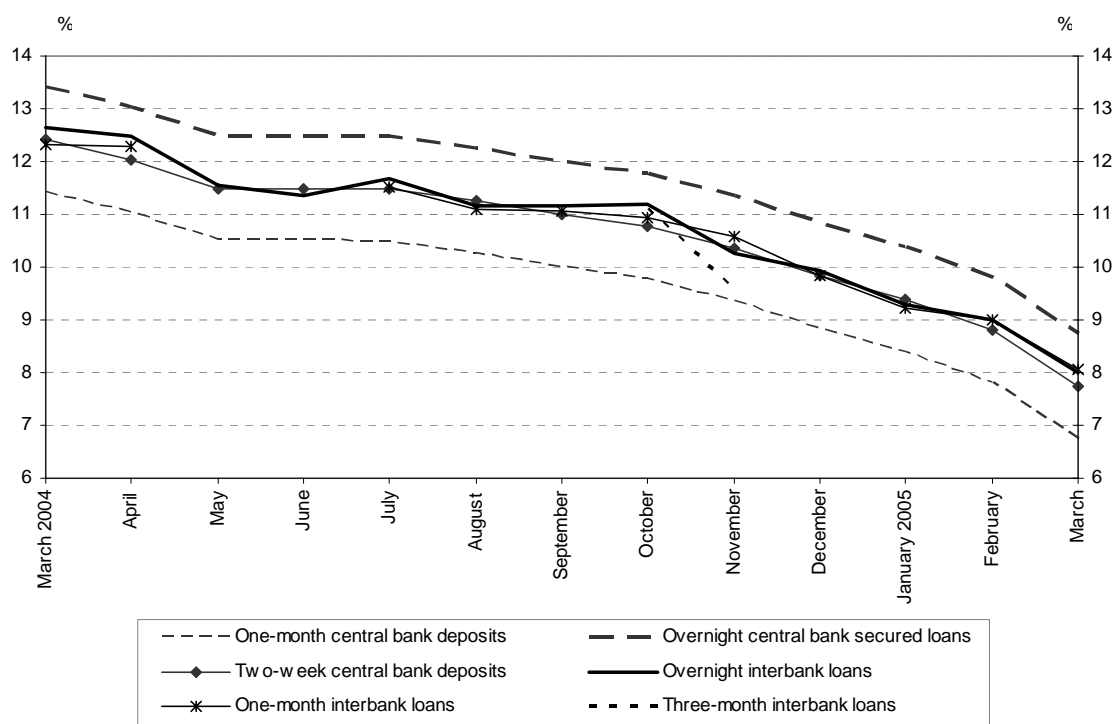
In the household sector, the differential between the average interest rates on consumer credit and deposits with agreed maturity up to one year increased from 14.4 percentage points in February to 14.45 percentage points in March 2005. At short maturities, which account for a significant proportion of non-financial corporate loans and deposits, the gap between average interest rates increased from 1.92 to 1.97 percentage points.

Chart 1 Average of the central bank and forint interbank rates in March 2005



² The euro equivalent of forint-denominated loans is calculated using the MNB's middle 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. Conversion is important to make Hungarian data comparable with those of the European Central Bank and euro area Member States.

Chart 11 Average forint interbank and central bank rates



In the **forint interbank market**, turnover amounted to HUF 2,518.9 billion, up HUF 318.5 billion on the previous month. The average overnight interbank lending rate weighted by the total amount of transactions fell by 99 basis points from 8.99 to 8.00 per cent relative to February, while the average interest rate on one-month interbank loans declined by 94 basis points from 9.01 to 8.07 per cent. No interbank loans were granted for three months in March 2005. On the last day of March, the average overnight interbank lending rate weighted with the total amount of transactions rose above the upper edge of the interest rate corridor.

Daily interest rates are available upon request at the MNB's External Communication Department. In addition, details of the average interest rates and the amounts of new loans and deposits in a specific period, as used by the MNB to calculate the average interest rates, and the rates weighted by end-of-month stocks, are available on the Bank's website at:

Non-financial corporations:

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_bankkoi

Budapest, 27 April, 2005

MAGYAR NEMZETI BANK
STATISTICS DEPARTMENT

Notes to the charts in the press release

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 MNB uses the total amount of new loans and 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 rates on non-performing loans.

b) Other loans include, among others, sole proprietors' entrepreneurial loans as well as non-consumer loans and loans granted for purposes other than house purchase.

c) In addition to interest rates on consumer credit and other loans, the MNB also publishes the APR expressing the 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 with the one defined in Government Decree 41/1997. Korm. and is applicable to all types consumer credit and housing loans, irrespective of maturity.

Charts 2 and 3

As of January 2003, data on new loans are given in a breakdown by initial rate fixation instead of original maturity. The term 'rate fixation' specifies the period for which an interest rate is fixed in a loan contract. All floating rate loans and those fixed-interest loans for which the rate has been fixed for a term up to one year are classified among 'loans with a floating rate or a rate fixed for up to one year'.

Charts 4 and 5

a) The weighted average interest rate on housing loans include data on home loans whether they are granted on market terms or subsidised. Interest rates on subsidised loans include the amount of government subsidy. Data providers adjust the average of interest rates on assets-side subsidised loans by adding the amount of government subsidy to the interest rate charged to customers. In the case of liabilities-side subsidised loans, the difference between the reference yield on government securities, closest to the loan term, and the interest rate on funds borrowed in the interbank market is added to the interest rate charged to customers. Consequently, interest rates on housing loans also depend on variations in money and capital market interest rates.

b) As of January 2003, data on new loans are given in a breakdown by initial rate fixation instead of original maturity. The term 'rate fixation' specifies the period for which an interest rate is fixed in a loan contract. All floating rate loans and those fixed-interest loans for which the rate has been fixed for a term up to one year are classified among 'loans with a floating rate or a rate fixed for up to one year'.

Chart 6

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

Chart 7

Average interest rates on time deposits are weighted by the total amount of new loans, while those on overnight and current account deposits are calculated with end-of-month stocks as weight. Consequently, loans excluding overdrafts are weighted by the amounts of new loans, while overdrafts are weighted by end-of-month stocks to calculate average interest rates. Average interest rates do not include interest rates on non-performing loans.

Chart 8

The euro equivalent of individual forint-denominated loans is calculated with the help of the MNB's central rate effective on the last day of the month. The published interest rates refer exclusively to forint-denominated loans. For this reason, loans denominated and recorded in forints are converted into euros retrospectively.