



**MINUTES
OF THE MONETARY COUNCIL MEETING
24 FEBRUARY 2026**

Time of publication: 2 p.m. on 11 March 2026

Article 3 (1) of the MNB Act (Act CXXXIX of 2013 on the Magyar Nemzeti Bank) defines achieving and maintaining price stability as the primary objective of the Magyar Nemzeti Bank. The MNB's supreme decision-making body is the Monetary Council. The Council convenes as required by circumstances, but at least twice a month, according to a pre-announced schedule. At the second scheduled meeting each month, members consider issues relevant to decisions on interest rates. Abridged minutes of the Council's rate-setting meetings are released regularly, before the next policy meeting takes place. The minutes present the decision makers' assessment of current economic conditions and the factors they consider when deciding on the base rate. Until December 2013, the Monetary Council presented the information underlying its assessments as part of the abridged minutes. In order to provide more detailed information, background materials will henceforth appear as a separate publication with enhanced content under the title 'Macroeconomic and financial market developments', at the same time as the abridged minutes.

The minutes are available on the MNB's website at:

<http://www.mnb.hu/en/monetary-policy/the-monetary-council/minutes>

THE COUNCIL'S ASSESSMENT AND INTEREST RATE DECISION

The primary objective of the Magyar Nemzeti Bank (MNB) is to achieve and maintain price stability. Without prejudice to its primary objective, the Magyar Nemzeti Bank preserves financial stability and supports the Government's economic policy, as well as its policy on environmental sustainability.

Following the review of macroeconomic and financial market developments, the Monetary Council discussed the details of the interest rate decision proposal. Several Council members pointed out that inflation temporarily fell below the 3 percent central bank target, in line with the December forecast. As such, Hungarian price dynamics improved significantly in both regional and EU comparisons. Certain decision makers pointed out that except for tradables, all main product groups contributed to the decline in inflation. In the Council members' view, January repricings – which were moderate even in a historic comparison – confirmed that the inflation outlook was in line with the baseline projection in the December forecast. Certain decision makers drew attention to the extension of price margin restrictions. The MNB would assess its impact on the inflation trajectory in its March forecast. Council members stressed that in informing monetary policy decisions, it was crucial for the Council to assess incoming data from meeting to meeting and evaluate them in terms of their impact on the inflation outlook.

Regarding the external environment, decision makers highlighted the resilience of emerging markets against occasionally increasing global volatility, as well as favourable inflation and financial market developments in the CEE region. In this regard, it was noted that yield spreads of government securities in the region over German bonds had decreased significantly in recent months. Certain Council members pointed out that based on market and analysts' expectations, interest rates in the region could decline further in the future, while markets priced in two additional interest rate cuts by the US Federal Reserve. Some decision makers identified rising oil prices as an external cost factor requiring special attention.

Several decision makers pointed out that Hungary's real economy was still characterised by duality. Retail sales continued to grow, while industrial production and investment activity remained subdued. Certain Council members stressed, however, that the labour market was still stable, and there was also a pick-up in corporate lending in addition to the persistently strong expansion of

household credit. Some decision makers called attention to the demand-stimulating effect of continually strong wage dynamics and income-increasing measures.

In the Council's assessment, the fact that inflation developments were in line with the December forecast and the stability of financial markets provided adequate room for a cautious reduction of interest rates. In the February decision, the Monetary Council discussed a single option, i.e. reducing the base rate by 25 basis points. Based on a careful assessment of the inflation outlook and the stability of financial markets, the Council made the unanimous decision to reduce the base rate to 6.25 percent. Several decision makers stressed that reducing the base rate was in line with the MNB's previous communication and corresponded to analysts' and market expectations. The Council agreed that maintaining positive real interest rates ensured the achievement of the inflation target in a sustainable manner. Council members highlighted that the March issue of the Inflation Report would allow for a comprehensive analysis of the effects of the interest rate decision.

The Council reaffirmed its commitment to achieving the inflation target in a sustainable manner. Decision makers reasserted that price stability could be achieved through tight monetary conditions. As such, a careful and patient approach remained warranted. Council members agreed on the importance of data-driven decision-making and consequently did not decide to initiate a cycle of interest rate cuts. The Council would continue to assess incoming macroeconomic data and financial market developments in terms of their impact on the inflation outlook, based on which they would make decisions on the base rate in a cautious and data-driven manner from meeting to meeting.

Votes cast by individual members of the Council:

In favour of reducing the base rate to 6.25 percent, reducing the overnight collateralised lending rate to 7.25 percent and reducing the interest rate on the overnight central bank deposit to 5.25 percent:	11	Péter Benő Banai, Éva Búza, József Dancsó, Péter Gottfried, Kolos Kardkovács, Zoltán Kovács, Zoltán Kurali, Andrea Mager, Dániel Palotai, Levente Sipos-Tompa, Mihály Varga
--	----	---

The following members of the Council were present at the meeting:

Péter Benő Banai

Éva Búza

József Dancsó

Péter Gottfried

Kolos Kardkovács

Zoltán Kovács

Zoltán Kurali

Andrea Mager

Dániel Palotai

Levente Sipos-Tompa

Mihály Varga

The Council will hold its next policy meeting on 24 March 2026. The minutes of that meeting will be published at 2 p.m. on 15 April 2026.