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PRESS RELEASE

Household and non-financial corporate sector interest rates: November 2009

In November 2009, the average APRC on forint loans to households for house purchase and on general purpose mortgage loans fell. This was due in part to increased borrowing under new forint lending facilities introduced by some banks in recent months. On balance, the difference between forint and euro-denominated loans in terms of the size of APRC narrowed. Average interest rates on forint loans to non-financial corporations fell.

In November, the average APRC on new forint loans to households for house purchase fell, due in part to changes in interest rates and in part to a change in the composition of loans. The average APRC on euro and Swiss franc loans also fell. The APRC on new forint and euro general purpose mortgage loans fell, while that on Swiss franc loans rose slightly. The APRC on forint personal loans fell, due to a change in the composition of loans, while that on euro loans rose to the level of two months previously. The APRC on forint loans for purchases of goods fell significantly, due to the high share of loans with low APRC.¹ The APRC on Swiss franc car loans remained broadly unchanged.

Average interest rates on forint loans to the non-financial corporate sector fell, irrespective of the upper limit of the amount of loan. The average interest rate on euro loans up to the equivalent of EUR 1 million fell slightly and that on euro loans over to the equivalent of EUR 1 million rose marginally.

In November, the amounts of new forint and euro housing loans fell, and that on Swiss franc loans remained unchanged at the previous month's very low level. The seasonally adjusted values of new forint and euro general purpose mortgage loans fell, while that of new Swiss franc loans rose slightly. The seasonally adjusted value of new forint personal loans fell compared with October and the value of new euro loans remained unchanged at October's level. As in previous months, few, if any, Swiss franc loan contracts were entered into in November. The seasonally adjusted value of forint loans for purchases of goods rose. The value of new Swiss franc car loans remained unchanged at the previous month's level.

The amounts of new forint and euro loans to non-financial corporations rose, according to seasonally adjusted data.

On the deposit side, monthly average interest rates on households' forint and euro deposits fell. The monthly average interest rate on forint deposits of non-financial corporations fell slightly, while that on euro loans remained unchanged.

¹ Frequently, merchants pay a contribution to credit institutions in the case of loans for purchases of goods with low APRC. In such cases, the APRC does not include the amount of contribution paid by a merchant to a credit institution. Consequently, the start and close of credit offers may have a significant effect on the size of the average APRC as shown in the statistics.

The seasonally adjusted amounts of households' new forint and euro time deposits rose in the month under review.

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The seasonally adjusted data are subject to more uncertainty than usual, due to fluctuations caused by the financial crisis.

One of the primary statutory duties of the Magyar Nemzeti Bank is to collect and publish statistical information. The statistical press release aims to help the reader understand the latest published data. The Quarterly Report on Inflation and the Report on Financial Stability, published periodically, contain the Bank's analyses of underlying economic processes and are accessible at www.mnb.hu.

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