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PRESS RELEASE

Household and non-financial corporate sector interest rates: August 2010¹

In August 2010, the total contract values of new forint-denominated housing loans and general purpose mortgage loans to the household sector did not change significantly compared with the previous month (the former rose slightly and the latter fell). The total contract values of new foreign currency-denominated housing loans and general purpose mortgage loans have been falling steadily. New forint loans to households accounted for 97% of total new lending in August (for 96% of housing loans, 96% of general purpose loans and 99% of personal loans).²

In August 2010, the average APRC on new forint housing loans to households barely changed. In contrast, the average APRC on new general purpose loans rose slightly. The APRC on euro-denominated housing loans remained unchanged and that on general purpose mortgage loans fell sharply, although the volume of new lending fell to a minimum in the latter category. The difference between the APRC on forint and euro-denominated housing loans narrowed to 2.38% and that between the APRC on forint and euro-denominated general purpose mortgage loans widened to 2.67%.

Average interest rates on new forint loans to the non-financial corporate sector up to and over the equivalent of EUR 1 million remained broadly unchanged. Average interest rates on new euro-denominated loans up to the equivalent of EUR 1 million rose slightly and those on loans over the equivalent of EUR 1 million increased significantly.

In August, the total value of new forint-denominated housing loans to the household sector rose modestly, while that of general purpose loans fell slightly. The values of euro housing loans and general purpose mortgage loans continued to decline, with the volume of new lending close to zero. There was a slight increase in the total value of new forint personal loans.

The total contract value of new forint loans to non-financial corporations up to the equivalent of EUR 1 million fell slightly and that of euro loans increase more strongly. The value of new forint loans over the equivalent of EUR 1 million fell slightly, and that of euro loans declined significantly.

On the deposit side, monthly average interest rates on households' forint and euro deposits remained unchanged. The values of new forint and euro deposit contracts rose.

¹ The values of new loans to households and non-financial corporations do not include restructured loans. Similarly, the effects of government bridging loans are eliminated from the values of new housing loans and general purpose loans to households. In the latter case, data on new lending and the APRC are estimates. (For more details, see the methodological notes.)

² Act XC of 2010 entered into force on 14 August 2010. According to the law, registering a mortgage under a foreign currency loans is prohibited. This may influence the total amount of foreign currency lending in the period ahead.

Monthly average interest rates on non-financial corporations' forint and euro deposits rose slightly. The value of new forint deposit contracts rose and that of euro deposits remained unchanged relative to the previous month.

MAGYAR NEMZETI BANK STATISTICS

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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