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## PRESS RELEASE

### Household and non-financial corporate sector interest rates: May 2020<sup>1</sup>

*In May 2020, the average APRC on new housing loans rose and that on personal loans remained at the maximized level due to regulatory standards. Seasonally adjusted new business volumes of housing loans fell significantly. Average interest rates on lending of up to EUR 1 million to non-financial corporations rose, while those on loans of larger amounts decreased.*

Table 1: New business of loans and deposits to households

	Average interest rates on new business <sup>2</sup> (percentage points)			New business volumes (HUF billions: non-seasonally adjusted data)			New business volumes (HUF billions: seasonally adjusted data)		
	May 2020	Month-on month change	May 2019	May 2020	Apr 2020	May 2019	May 2020	Apr 2020	May 2019
	Forint housing loans	4,34	0,10	5,11	61,9	71,9	86,1	62,9	74,5
up to one year initial rate fixation	3,45	0,16	3,80	0,6	0,7	2,6			
over one year initial rate fixation	4,35	0,10	5,15	61,3	71,2	83,6			
Forint general purpose mortgage loans	5,71	0,09	6,60	6,2	5,7	6,9	5,6	6,2	6,2
up to one year initial rate fixation	4,54	-0,96	3,62	0,1	0,1	0,8			
over one year initial rate fixation	5,73	0,11	7,00	6,1	5,7	6,1			
Forint personal loans	5,88	0,00	13,28	18,7	13,0	55,8	21,8	11,1	54,7
Forint deposits	0,58	0,21	0,25	449,1	233,5	208,4	365,9	239,7	184,6
Euro deposits with maturity up to 1 year	0,04	-0,01	0,03	9,3	9,5	9,9	9,6	9,3	10,2

1) Loans with floating rate and up to 1 year initial rate fixation.

2) The table contains the average APRC for loans.

In May 2020, the average **APRC** on new *housing loans* rose slightly. Households concluded the large majority of new housing loan contracts with initial rate fixation of over one year. The average length of rate fixation was 110 months. The APRC on *personal loans* remained unchanged primarily due to the effect of a discount APRC detailed in a Government Decree on unsecured consumer loans concluded after 18 March 2020, effective until 31 December 2020 (see Methodological notes).

Seasonally adjusted **new business volumes** of *housing loans* fell significantly, mainly reflecting the decline in demand caused by the Covid-19 pandemic. By contrast, new business volumes of *personal loans* rose, which was preceded by a significant decline in the previous month.

<sup>1</sup>New lending to households and non-financial corporations does not include restructured loans. (For more details, see the Methodological notes.)

Pursuant to Government Decree 44/2019 (III.12), new business volumes of loans to retail customers linked to the baby-expecting support amounted to HUF 46.5 billion in May. From the beginning of the Programme to the end of May households entered into such contracts with credit institutions in a total amount of HUF 735 billion.

**Average interest rates** on households' *forint deposits* rose more strongly and those on *euro deposits* decreased slightly. Seasonally adjusted **new business volumes** of *forint deposits* increased significantly and the increase was less pronounced in those of *euro deposits*.

**Table 2: New business of loans and deposits to non-financial corporations**

	Average interest rates on new business (percentage points)			New business volumes (HUF billions: non-seasonally adjusted data)			New business volumes (HUF billions: seasonally adjusted data)		
	May 2020	Month-on month change	May 2019	May 2020	Apr 2020	May 2019	May 2020	Apr 2020	May 2019
Forint loans up to 1 million EUR <sup>1</sup>	3,27	0,32	3,00	27,4	29,2	47,7	30,3	33,0	47,3
Euro loans up to 1 million EUR <sup>1</sup>	2,34	0,73	2,06	3,2	5,2	4,2	3,4	5,5	4,5
Forint loans over 1 million EUR <sup>1,2</sup>	1,90	-0,25	1,29	86,0	55,2	55,3	110,9	60,6	71,2
Forint loans over 1 million EUR excluding the impact of interest rates of money market contracts	1,94	-0,21	1,72						
Euro loans over 1 million EUR <sup>1</sup>	1,60	-0,10	1,19	11,5	23,4	29,7	16,3	30,0	40,1
Forint deposits	0,74	0,07	0,08	852,5	785,4	516,0	865,4	804,1	490,7
Euro deposits with maturity up to 1 year	0,06	0,03	0,03	8,5	10,9	12,9	10,5	8,8	16,0

1) Loans with floating rate and up to 1 year initial rate fixation.

2) The category of forint loans over 1 million EUR includes low-rates contracts - so-called money market contracts - as well. The proportion of these transactions changes from month to month, and the actual proportion largely influences the average interest rate developments.

**Average interest rates** on *forint and euro loans* of up to EUR 1 million to non-financial corporations rose. Average interest rates in the category of *forint and euro loans* of over EUR 1 million decreased.

Seasonally adjusted **new business volumes** of both *forint and euro loans* of up to EUR 1 million to non-financial corporations fell. There was an increase in *forint loans* of over EUR 1 million while *euro loans* of over EUR 1 million declined.

**Average interest rates** on non-financial corporations' *forint and euro deposits* rose relative to the previous month. Seasonally adjusted **new business volumes** of *forint and euro deposits* rose.

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Detailed tables: [Time series](#)

Notes: [Methodological notes](#):

Charts: [Chart pack](#)

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