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PRESS RELEASE

Household and non-financial corporate sector interest rates: July 2010

In July 2010, the total contract value of new forint-denominated housing loans and general purpose mortgage loans to the household sector fell slightly compared with the previous month. The total contract value of new foreign currency-denominated housing loans general purpose mortgage loans fell. New forint loans to households accounted for 93% of total new lending (for 92% of housing loans, 92% of general purpose loans and 98% of personal loans).¹

The contract value of new euro loans over the equivalent of EUR 1 million fell slightly following the sharp rise in the previous month.

In July 2010, the average APRC on new forint housing loans and general purpose loans to households fell significantly. The APRC on euro-denominated housing loans and general purpose mortgage loans fell even more sharply than that on forint loans. The difference between the APRC on forint and euro-denominated housing loans and general purpose mortgage loans widened to 2.45% and 1.77% respectively.

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 and over the equivalent of EUR 1 million fell slightly.

In July, the total value of new forint-denominated housing loans and general purpose loans to the household sector fell slightly following the steep increase in the previous month. The values of euro housing loans and general purpose mortgage loans fell significantly. There was a sharp decline in the total value of new forint personal loans.

The total contract value of new forint and euro loans to non-financial corporations up to the equivalent of EUR 1 million fell slightly. The value of new forint loans over the equivalent of EUR 1 million remained unchanged, and that of euro loans fell after the sharp increase in the previous month.

On the deposit side, monthly average interest rates on households' forint deposits rose modestly. The value of new euro deposit contracts remained broadly unchanged, and that of forint deposit contracts increased following the slight drop in the previous month.

¹ 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 deposits remained unchanged and those on euro deposits fell slightly. The total value of new forint and euro deposit contracts fell 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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