Summary

Banks contracted significant loan volumes in the corporate and household segments in 2025 Q2

- Credit institutions' household loans outstanding increased by 11.7 per cent, while loans to non-financial corporations increased by 2.0 per cent in 2025 Q2.
- The value of new loan contracts signed by banks with households increased by 21 per cent in Q2 relative to the disbursement a year earlier.
- The value of new corporate loan disbursement in the second quarter of HUF 1,456 billion was 36 per cent higher than the level in the same period of the previous year. The robust expansion in new disbursements during the quarter was driven strongly by large individual transactions and contracts concluded under the Demján Sándor Programme.
- According to the Lending Survey, more than two-thirds of banks expect demand to accelerate further for housing loans due to the Home Start loan program in the second half of 2025. With corporate credit conditions remaining unchanged, corporate loan demand decreased in the second quarter, while banks experienced an upturn in the financing of housing projects.

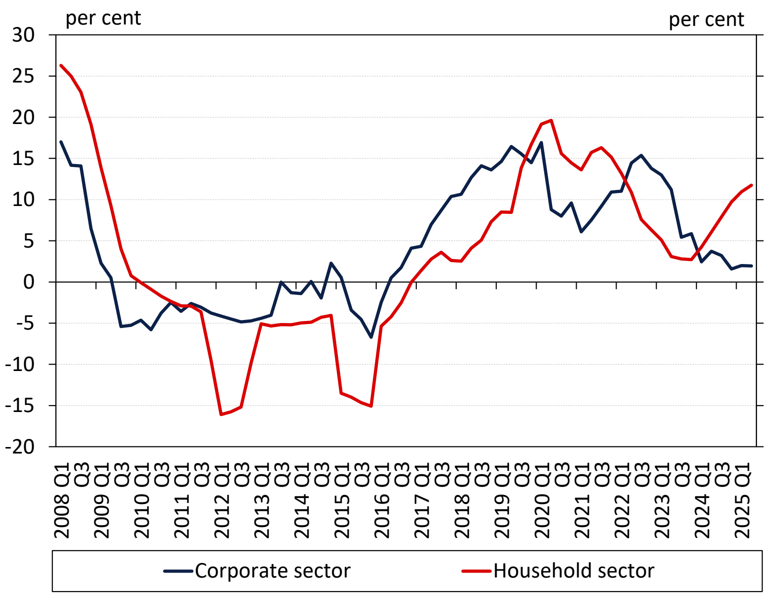

Chart 1: Annual growth rate of outstanding corporate and household loans

Indicator	2025 Q2	2024 Q2	Change
Corporates			
Annual growth rate of corporate loans outstanding (per cent)	2.0	3.7	-1.7 pp.
Volume of new corporate loans (HUF bn)	1456	1072	+385
SME			
Share of subsidised loans in total loans to SMEs (per cent)	32.0	34.8	-2.7 pp.
Average interes rate of new small amount HUF loans (per cent) (Loans with variable rate or maximum one year interest rate fixation)	8.8	10.3	-1.5 pp.
Households			
Annual growth rate of household loans outstanding (per cent)	11.7	6.0	+5.7 pp.
Volume of new household loans (HUF bn)	886	730	+156
Housing loans			
Share of subsidised loans in total loans for house purchase (per cent)	20.4	27.4	-7.0 pp.
Average interest rate for new market-based housing loans (per cent)	6.5	6.4	+0.1 pp.

Table 1: Main indicators of corporate and household lending

Household lending

The credit institution sector's household loans outstanding increased by HUF 394 billion in 2025 Q2 as a result of disbursements and repayments, boosting the annual growth rate to 11.7 per cent from 10.9 per cent at the end of the previous quarter. Domestic credit growth ranked fifth in the EU at the end of June 2025, significantly exceeding the average growth rate for the Visegrád countries (4.9 per cent).

The volume of new household loan contracts amounted to HUF 886 billion in 2025 Q2, up 21 per cent versus the same period of the previous year. In the case of housing loans, disbursement increased 13 per cent year on year, while personal loans rose 34 per cent. The expansion of personal loan disbursement was supported by pre-approved loans readily accessible online, the growing proportion of usage for housing purposes, top-ups and the higher contract sizes available. Within the framework of the Subsidised Loans for Workers programme launched in January 2025, more than 12,000 contracts worth approximately HUF 48 billion were concluded in the second quarter, accounting for 5 per cent of total lending. In 2025 Q2, banks provided market-based housing loans at an average interest rate of 6.5 per cent (APR: 6.8 per cent), which was unchanged from the previous quarter; taking into account state-subsidised schemes, the average client interest rate payable by new borrowers was 5.7 per cent.

Based on the responses to the MNB's Lending Survey, one-fifth of the banks tightened their standards for both housing loans and consumer loans in 2025 Q2, primarily by raising spreads. In 2025 H2, the banks expect to leave their housing lending standards unchanged, in order to keep up with housing market trends and grow their market share. In 2025 Q2, one-third of the banks saw rising demand for credit in the housing loan market, but looking ahead more than two-thirds expect demand to accelerate further, due to the Home Start loan programme. In the second quarter, 24 per cent of the institutions surveyed reported a further increase in demand for consumer loans, while 13 per cent of the banks only expect demand for home equity loans to strengthen in the next half-year period.

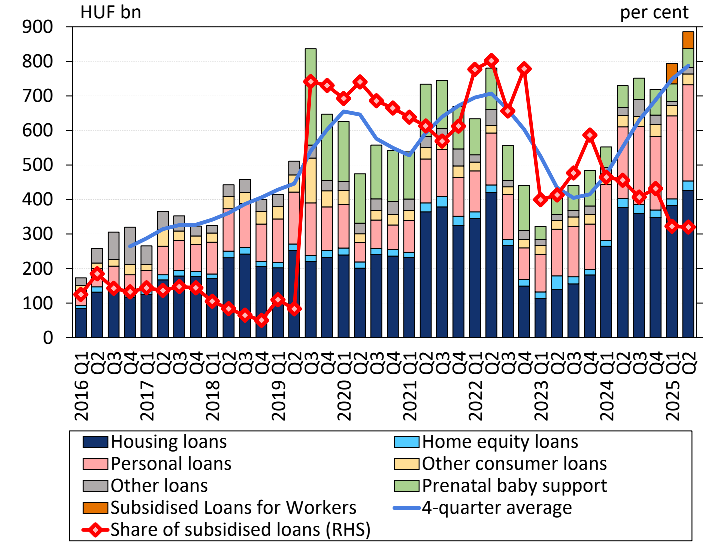

Chart 2: Volume of new household loans

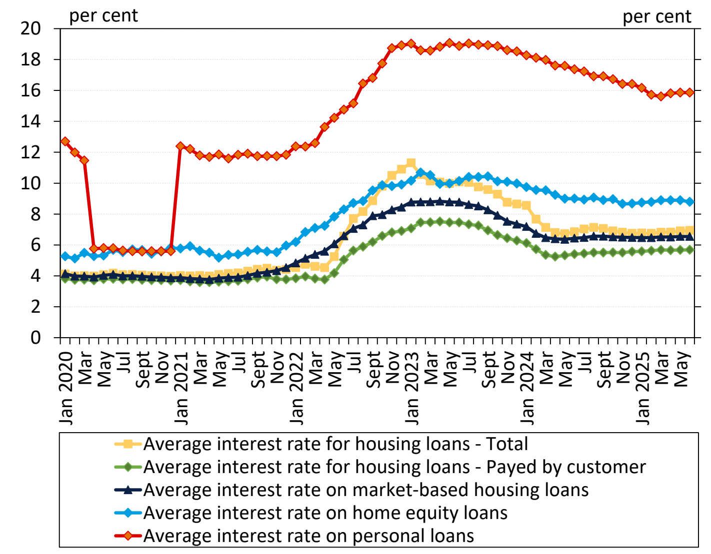

Chart 3: Average interest rates on new household loans

Corporate lending

Credit institutions' loans outstanding to non-financial corporations increased by HUF 315 billion in 2025 Q2, bringing the annual growth rate to 2.0% at the end of June, in line with 2025 Q1. The loans outstanding of the SME sector grew 2.4% year on year. The growth rate of the domestic corporate loan portfolio ranks in the middle of the EU, slightly above the EU average, but below the 7% average of the Visegrad countries.

In 2025 Q2, the volume of new, non-overdraft forms of credit to the corporate sector amounted to HUF 1,456 billion, exceeding the volume disbursed in the same period of the previous year by 36%. The robust expansion in new disbursements during the quarter was driven strongly by large individual transactions and contracts concluded under the Demján Sándor Programme. The share of subsidised corporate loans in new contracts was 19% in the quarter, exceeding the 15-percent share recorded in the previous year. The proportion of subsidised loans in the SME segment was 32% in the period under review, compared to 25% in the past year. The average spread on newly originated forint loans with up to 1-year initial rate fixation, concluded with companies largely on a market basis, increased by 0.3 percentage point compared to the previous quarter in the case of small-amount loans, and thus reached 2.3 percentage points in the quarter, bringing the average interest rate on these loans to 8.8% in the quarter. For large-amount forint loans, the interest rate remained unchanged at 8.3%.

The banks participating in the Lending Survey left their standards on corporate loans unchanged in 2025Q2 and do not plan to change them in the next six months. A net 11% of the banks eased their terms on commercial real estate loans, but plan to tighten them in this segment going forward due to the challenges in the office market. 30% of the banks surveyed reported a drop in corporate loan demand in 2025 Q2, with the decline mainly affecting forint loans and long-term loans. Banks do not expect growth in corporate loan demand in the second half of the year either. However, 44% of the respondents saw a pick-up in demand for loans to finance housing projects in the second quarter, which could strengthen further thanks to improving sentiment in real estate investment.

In response to the subdued corporate lending growth and in order to strengthen competition in the banking system, the MNB launched the Certified Corporate Loan (CCL) certification. The aim of the scheme, established following an agreement between the MNB and the Hungarian Banking Association, is to make investment loans available to a wide range of SMEs on market terms, with uniform and transparent conditions, quick and easy administration, and favourable pricing. Based on the detailed application conditions, credit institutions may request certification of their products from 1 August 2025. Following evaluation of the applications, Certified Corporate Loans are already available to businesses in the branches of 3 banks.

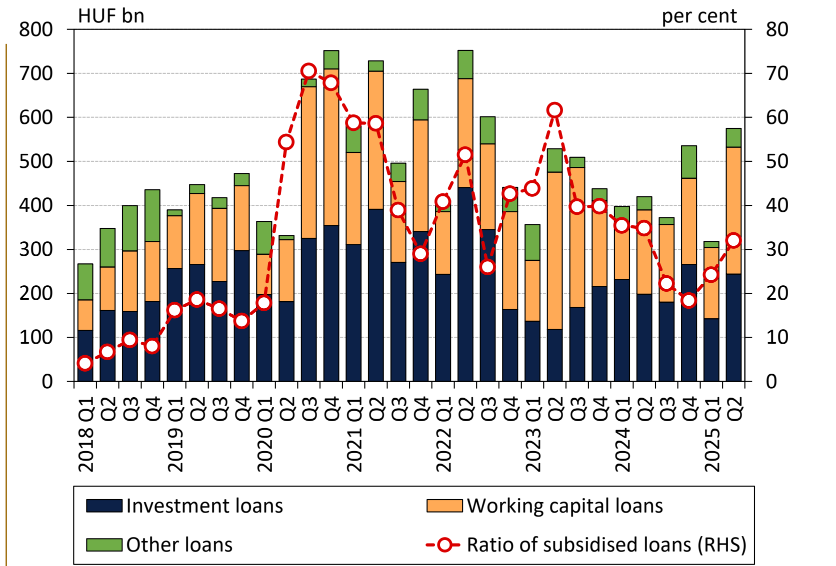

Chart 4: New disbursements of SME loans by loan purpose and the ratio of subsidised loans

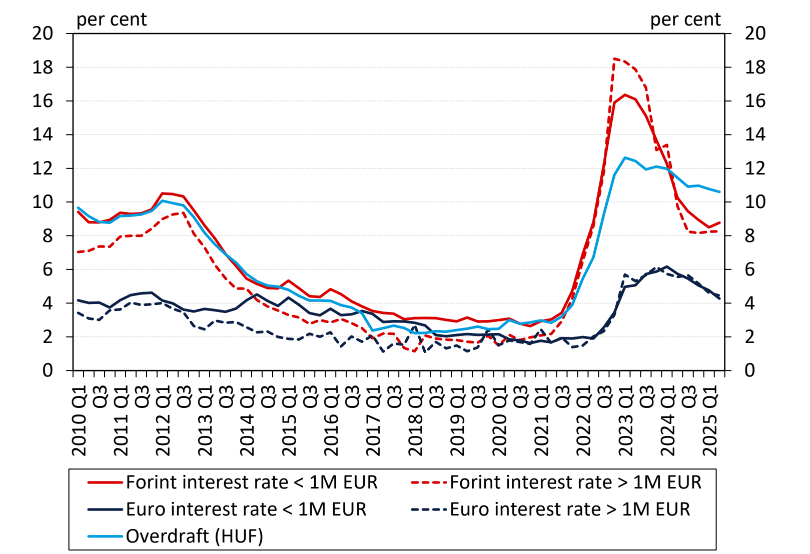

Chart 5: Interest rates on new corporate loans

Special topic: KEY TAKEAWAYS FROM INTERVIEWS WITH SENIOR LOAN OFFICERS

Once a year, the MNB's quarterly Lending Survey is supplemented by interviews with lending officers at the major banks in each sub-market, who reported on lending trends in 2025 H1 and their expectations for the latter half of the year.

Corporate lending

The bank managers responsible for corporate lending unanimously reported that uncertainty in the consumer market was behind companies' moderate investment appetite. Until these uncertainties are resolved, banks expect corporate lending to stagnate overall in 2025 H2. In addition, companies in most sectors, especially in agriculture, are waiting for new subsidised (loan and non-refundable) programmes. Despite lending falling short of earlier expectations, banks reported significant price competition, particularly in the medium-sized and large enterprise segments. The subsidised loan programmes that have dominated the past few years have also led to a significant increase in corporate deposits, which have now begun to decline, due to the lower interest rate environment. In order to retain corporate customers, banks have launched fierce competition for deposits, with many credit institutions offering interest rates in line with interbank rates. All banks consider the quality of their corporate loan portfolios to be good, but the construction, automotive and battery manufacturing sectors are being monitored more closely due to industry challenges. Banks continue to prefer institutional guarantees, which can help to significantly reduce credit risk and capital requirements, resulting in more favourable pricing and, overall, faster and more efficient SME lending.

In the commercial real estate financing segment, there is intense competition among banks for residential projects undertaken by large developers. Unlike in other countries in the region, turnover and property development in the office market has not yet begun to pick up, and in order to retain tenants, owners are offering significant rent discounts and flexible contracts. Experts expect the vacancy rate to rise further following the completion of state office space developments. In the industrial-logistics segment, lending officers reported a slowdown or stagnation, as the market has not yet been able to absorb earlier speculative developments.

Household lending

Banks reported record-setting growth in personal loans in 2025 H1, driven by rising demand, larger contract sizes, targeted customer outreach with pre-approved offers, top-ups (higher loan amounts disbursed at lower interest rates and thus unchanged repayment instalments) and quick, digitally available credit assessments. The share of loan refinancing increased, also encouraged by banks, but financing for housing, car purchases and durable consumer goods remained popular as well. When the Subsidised Loans for Workers were introduced at the beginning of the year, banks experienced a noticeable increase in demand, but since March, demand has settled in at a lower level, and no further significant growth is expected. Lending officers expect the disbursement of Subsidised Loans for Workers to reach HUF 300 billion by 2025. The most popular loan purposes for this product include investment and car purchases, but housing-related expenses are also common.

Due to strong competition in the housing loan market, banks are offering market-based loans around their money market funding cost, but the Home Start subsidised loans to be launched in September may increase margins in the banking sector through interest subsidies. Lending managers unanimously expect a significant rise in housing prices as a result of the programme, as supply will be unable to keep pace with the sudden surge in demand, meaning that the interest rate advantage offered by the subsidy may be eroded in a short period of time. Banks noticed customers holding back in July, after the programme was announced, and agents are also holding back demand. Experts believe that customers are reluctant to take on excessive debt, with less than 10 per cent of those eligible taking advantage of the 10-percent own funds available to first-time home buyers since the beginning of 2024. According to the banks surveyed, the Home Start programme may result in additional lending of HUF 200–250 billion in 2025. However, the process of housing lending may be slowed by legislation aimed at protecting local identity, and banks may tighten borrower-based measures in the settlements concerned due to mounting uncertainty.