Summary

Bank lending strengthened in 2026 Q2

- The corporate loan portfolio of credit institutions increased by 11.5 per cent, while the household loan portfolio grew by 19.6 per cent in the year to June 2026.
- In 2026 Q2, the volume of new, non-overdraft-type corporate loan contracts was 30 per cent lower than in the same period of the previous year. This was partly due to the relatively small number of larger-value loan contracts concluded during the quarter.
- The value of newly concluded household loan contracts increased to one and a half times the level recorded in the same period of the previous year, reaching more than HUF 1,300 billion.
- Based on the MNB's Lending Survey, banks did not perceive a strengthening in demand for investment loans in the second quarter either, but a small share of respondents expect a recovery in demand in the second half of the year. In the household segment, market participants observed a decline in demand for housing loans, while interest in consumer loans increased.

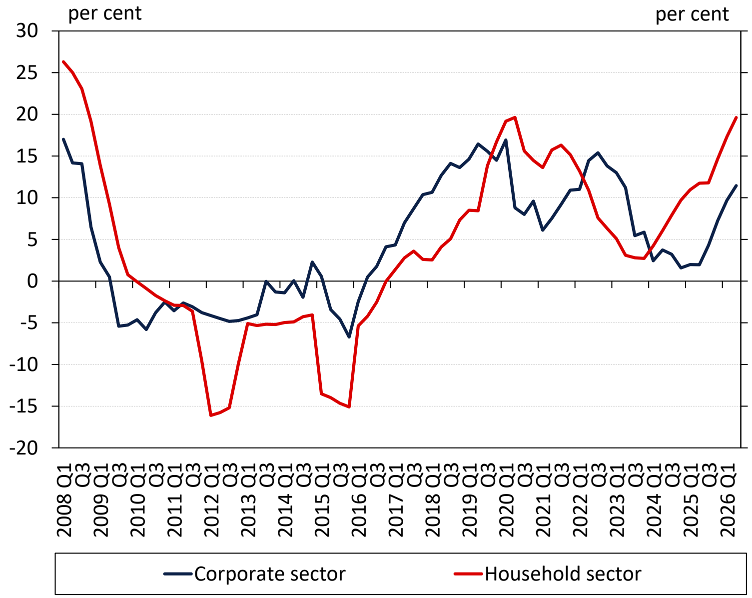

Chart 1: Annual growth rate of outstanding corporate and household loans

Indicator	2026 Q1	2025 Q1	Change
Corporates			
Annual growth rate of corporate loans outstanding (per cent)	11.5	2.0	+9.5 pp.
Volume of new corporate loans (HUF bn)	1056	1456	-400
SME			
Share of subsidised loans in total loans to SMEs (per cent)	38.3	30.5	+7.8 pp.
Average interes rate of new small amount HUF loans (per cent) (Loans with variable rate or maximum one year interest rate fixation)	8.5	8.7	-0.2 pp.
Households			
Annual growth rate of household loans outstanding (per cent)	19.6	11.7	+7.9 pp.
Volume of new household loans (HUF bn)	1358	886	+472
Housing loans			
Share of subsidised loans in total loans for house purchase (per cent)	78.9	20.4	+58.5 pp.
Average interest rate for new market-based housing loans (per cent)	6.4	6.5	-0.1 pp.

Table 1: Main indicators of corporate and household lending

Corporate lending

The annual growth rate of the corporate loan portfolio stood at 11.5 per cent at the end of June 2026, exceeding both the regional (8.8 per cent) and EU average (4.1 per cent). Based on preliminary data, the SME loan portfolio grew by 11.1 per cent year-on-year. Following the more subdued growth in the first quarter, stronger portfolio growth was seen in the second quarter.

The quarterly value of new contracts was nevertheless around 30 per cent lower than in the same period of the previous year. This was partly due to the relatively small number of larger-value loan contracts concluded during the quarter. The share of subsidised loans increased marginally, accounting for 23 per cent of total new (non-overdraft) corporate disbursement and 38 per cent of loans extended to micro, small and medium-sized enterprises. The loan contracts concluded under the Széchenyi Card Programme contributed the most to the volume of subsidised lending.

According to banks' responses to the Lending Survey, there were no significant changes in lending conditions for corporates in the second quarter, meaning that supply-side conditions have remained virtually unchanged for three years. In terms of price conditions, the financing cost of larger-value HUF loan contracts decreased most notably: for loans exceeding EUR 1 million, market-based transactions with an interest-rate period of up to one year were contracted at an average interest rate of 8 per cent with a spread of 1.8 percentage points, while for loans of up to EUR 1 million, the average interest rate was 8.5 per cent with a spread of 2.4 percentage points.

A net 17 per cent of banks reported increased demand for corporate loans in the second quarter, driven by clients' growing demand for inventory and receivables financing. A small proportion of credit institutions reported increased demand for both HUF-denominated and foreign currency loans, and by maturity, they observed stronger demand for short-term loans. For long-term loans, however, a net 16 per cent of banks reported a decline in demand for loans. Looking ahead to 2026 H2, half of the banks expect demand for corporate loans to continue increasing, both for HUF-denominated and foreign currency loans. For long-term loans, a net 19 per cent of banks already expect an increase in demand, driven by growing investment needs and lower interest rates.

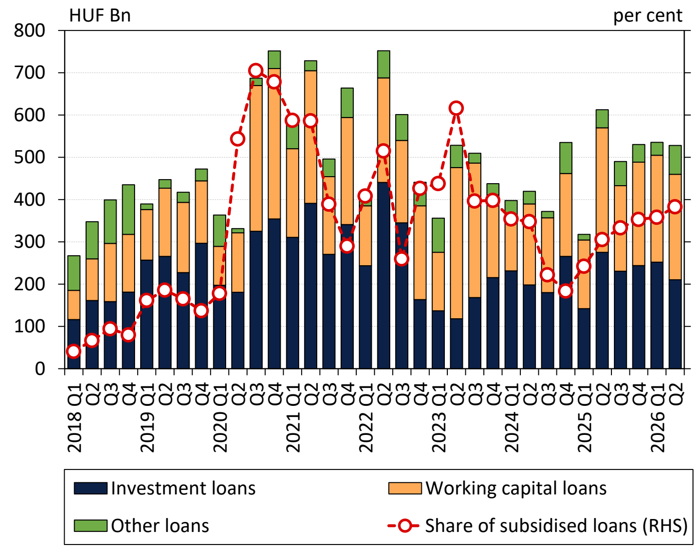

Chart 4: New disbursements of SME loans by loan purpose and the ratio of subsidised loans

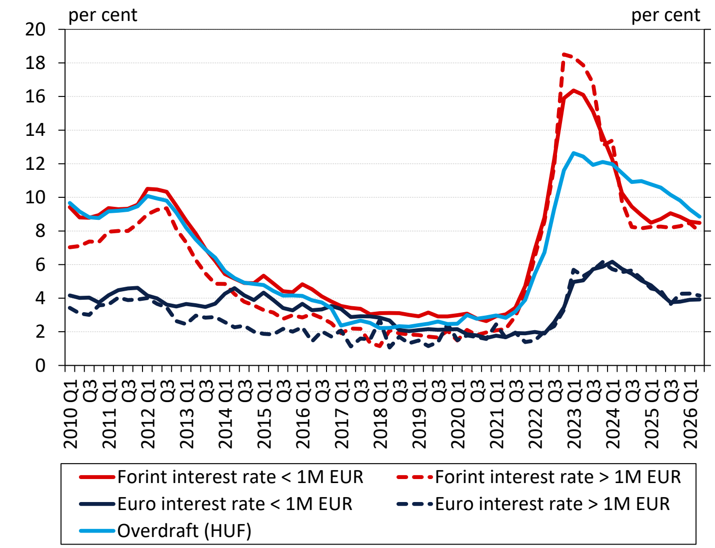

Chart 5: Interest rates on new corporate loans

Household lending

The growth of the household loan portfolio, which has been accelerating for more than two years, continued in 2026 Q2. The household loan portfolio grew by 19.6 per cent year-on-year, significantly exceeding both the regional average (8.2 per cent) and the EU average (3.2 per cent). The outstanding increase of nearly HUF 730 billion in household lending was mainly driven by housing loans, including loan contracts concluded under the Home Start Programme, as well as personal loan disbursements. The value of newly concluded household loan contracts increased to one and a half times the level recorded in the same period of the previous year, reaching more than HUF 1,300 billion.

By mid-August 2026, a total of HUF 2,000 billion worth of loan contracts had been concluded under the Home Start programme, comprising 56,000 contracts. The contractual amount of Home Start loans is significantly higher (an average of HUF 35 million) than that of HPS Plus loans (HUF 20 million) and market-based loans for house purchase or construction (HUF 18 million).

Personal loans are the dominant form of consumer lending. The value of new loan contracts has been on an upward trend since March 2026, resulting in record-high quarterly disbursement. Average loan amounts also increased year-on-year. Higher available loan amounts are increasingly being used for housing purposes, refinancing and loan redemption, while top-ups are also common. At the same time, the riskiness of personal loan borrowers is moderate, and their income strain has not increased significantly.

Lending conditions did not change for either housing loans or consumer loans during the quarter, and no changes are expected in the second half of the year. The average interest rate paid by customers on new housing loans fell to 3.6 per cent when the Home Start programme was introduced and has remained at this level since then. The average interest rate on market-based housing loans remained unchanged at 6.4 per cent. The average interest rate on personal loans decreased to 14.1 per cent at the end of the quarter.

In the Lending Survey for 2026 Q2, one-third of banks on a net basis reported a decline in demand for housing loans; however, this has not yet been reflected in either the number or volume of new loan contracts. Looking ahead, an increasing proportion of banks expect demand to decline, but with demand remaining high due to the Home Start programme, lending volumes may nevertheless remain significant. In the quarter, a net 80 per cent of banks reported an increase in demand for consumer loans, which they expect to persist over the course of the year.

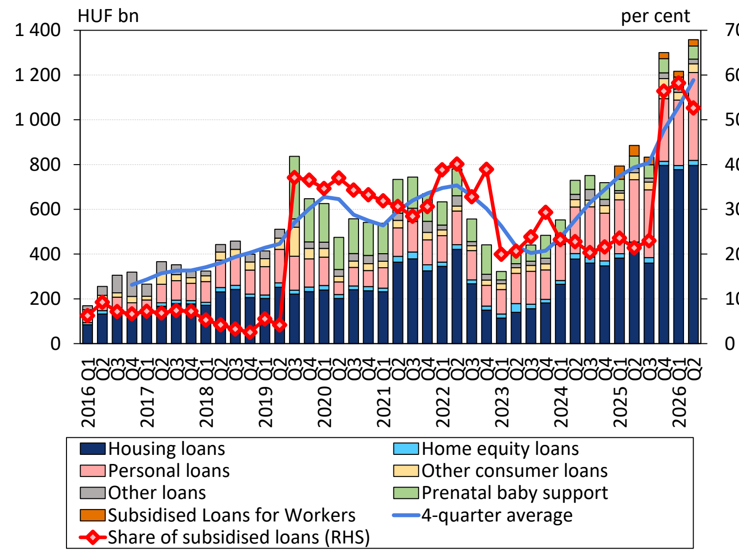

Chart 2: Volume of new household loans

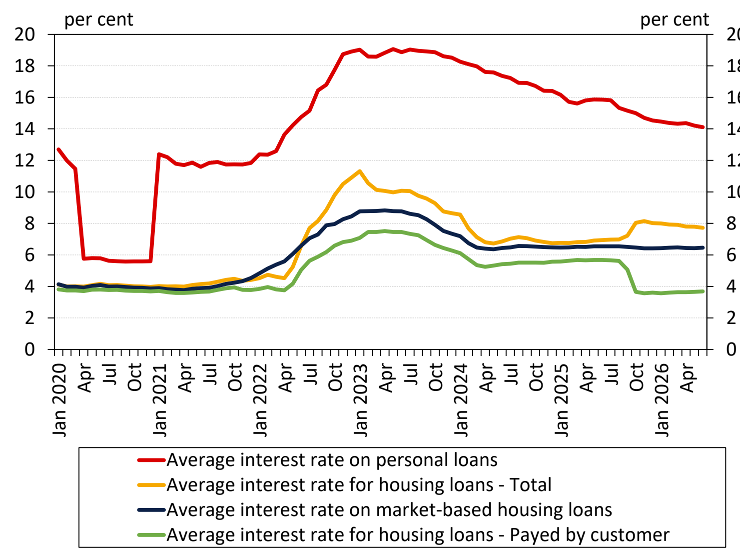

Chart 3: Average interest rates on new household loans

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

According to banks' senior corporate loan officers, the SME loan portfolio continued to grow in 2026 H1, partly driven by the increased uptake of the Széchenyi Card Programme (SZKP), whose interest rates declined in the final quarter of 2025. However, the change in the pricing of SZKP loans in July 2026 made the product more expensive, and as most of the relevant clientele had already taken advantage of the programme, demand may decline in the second half of the year. The corporate sector is still characterised by a wait-and-see approach, as companies are expecting further interest-rate subsidised loan schemes targeted at them with the appearance of non-repayable grants from EU sources, which could also boost demand for investment loans. Across all company size categories, banks report stable or improving portfolio quality, with no need to call on guarantees, although the difficulties facing the agricultural sector require closer monitoring by banks. The calls for applications aimed at supporting the agricultural sector are likely to also target measures to address climate change-related challenges. Overall, lending is expected to exceed the plans in the corporate sector in 2026.

In the commercial real estate segment, banks are lending cautiously, continuing to finance only residential property projects by high-quality, well-established developers. In logistics centres, banks avoid speculative developments, while financing for office buildings remains selective due to the oversupply characterising the market.

Household lending

All banks interviewed reported that personal lending grew more strongly than expected in 2026 H1, supported by increased demand for loan refinancing driven by lower interest rates. Debt consolidation, housing purposes, car purchases and the financing of durable consumer goods remained among the popular loan purposes for larger-value personal loans. According to banks, the most common use of the Subsidised Loans for Workers was for vehicle purchases and, although portfolio quality was initially good, it deteriorated, prompting banks to tighten their credit assessment criteria. The portfolio quality of prenatal baby support loans remains stable.

In the housing loan market, the Home Start Programme resulted in higher-than-expected loan disbursement, partly due to the higher loan amounts. There was a bank that estimates that 30–40 per cent of lending under the Home Start Programme financed property purchases for investment purposes. With the launch of the programme, the average LTV ratio increased by around 10 percentage points, partly due to the growing share of first-time home buyers (with an LTV of up to 90 per cent). According to banks, market-based housing loan products remain unprofitable at the product level; however, as market interest rates have not declined as quickly as funding costs, spreads have been able to increase.