



## Summary notes

### Continued growth in household lending and subdued corporate lending in 2024 Q4

- Credit institutions' household loans outstanding increased by 7.9 per cent, while loans to non-financial corporations increased by 1.6 per cent in 2024 as a whole.
- The value of new loan contracts signed by banks with households increased by 51 per cent in Q4 relative to the disbursement a year earlier, within the value of housing loan contracts almost doubled.
- The value of new corporate loan disbursement in the fourth quarter of HUF 920 billion was 3 per cent lower than the level in the same period of the previous year.
- According to the [Lending Survey](#), in the retail segment, banks overall left standards on housing loans unchanged, while 41 per cent of them eased standards on consumer loans. Looking ahead, two-thirds of the banks expect to increase spreads on housing loans, while they do not plan to change standards for consumer loans. They expect the increase in demand for both types of household loans to continue in 2025 H1.

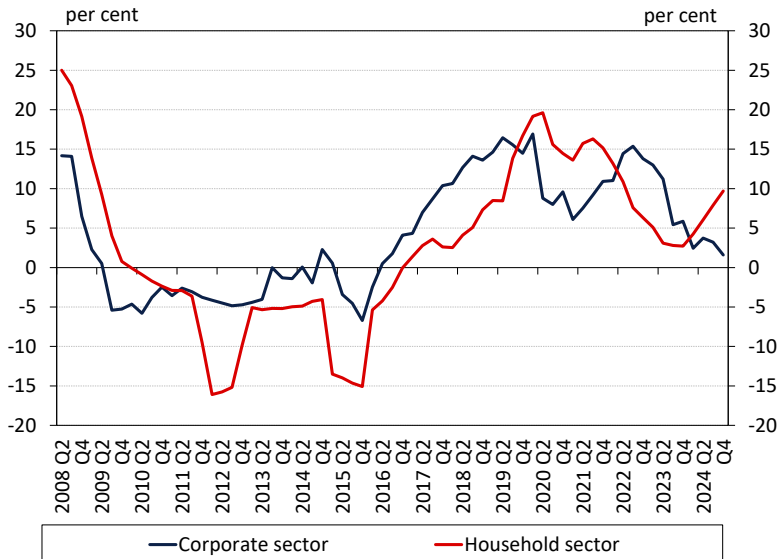


Chart 1: Annual growth rate of outstanding corporate and household loans



Indicator	2024 Q4	2023 Q4	Change
<b>Corporates</b>			
Annual growth rate of corporate loans outstanding (per cent)	1.6	5.9	-4.3 pp.
Volume of new corporate loans (HUF bn)	920	944	-24
<b>SME</b>			
Share of subsidised loans in total loans to SMEs (per cent)	17.8	39.8	-22 pp.
Average interest rate of new small amount HUF loans (per cent) (Loans with variable rate or maximum one year interest rate fixation)	9.2	13.6	-4.4 pp.
<b>Households</b>			
Annual growth rate of household loans outstanding (per cent)	9.7	2.7	+7 pp.
Volume of new household loans (HUF bn)	728	483	+245
<b>Housing loans</b>			
Share of subsidised loans in total loans for house purchase (per cent)	23.3	21.7	+1.6 pp.
Average interest rate for new market-based housing loans (per cent)	6.5	7.3	-1.9 pp.

Table 1: Main indicators of corporate and household lending



## Household lending

**Household loans outstanding of the credit institution sector increased by HUF 287 billion in 2024 Q4 as a result of loan disbursements and repayments, with the annual rate of credit growth picking up to 9.7 per cent from 7.9 per cent at the end of the previous quarter. The growth rate of domestic household credit ranks fourth compared with other countries of the EU and is significantly higher than the average growth rate observed in the Visegrád Group of countries (4.7 per cent).**

**The volume of new lending to households was HUF 728 billion in the fourth quarter, exceeding the volume of disbursement a year earlier by 51 per cent.** This mainly reflected a 92 per cent increase in the volume of housing loans; and personal loans disbursement also grew significantly, by 66 per cent. The number of housing loan contracts concluded in the fourth quarter rose by 25 per cent relative to 2023 Q4, with the average value of contracts rising significantly, by around 53 per cent, during the same period. From HUF 13.2 million in December 2023, the average contractual amount of housing loans rose to HUF 19.5 million in December 2024, partly reflecting higher loan amounts available under the HPS Plus scheme. In 2024 Q4, government-subsidised loans accounted for 22 per cent of the volume of new housing loans, remaining broadly unchanged on a year earlier. In December 2024, banks provided market-based housing loans at an average 6.5 per cent interest rate (APR: 6.7 per cent). Taking into account government-subsidised credit facilities, the average initial interest rate to be paid by new borrowers was 5.6 per cent. No material change took place in interest rates despite the expiry of the voluntary APR cap at the end of last June. The APR-based spread on housing loans with an interest rate fixation period of over five years fell by 89 basis points in one year to 0.16 percentage points at the end of 2024.

**Based on the responses to the Lending Survey, banks overall left standards on housing loans unchanged in 2024 Q4, while 41 per cent of them eased standards on consumer loans.** Looking ahead, two-thirds of the banks expect to increase spreads on housing loans, while they do not plan to change standards for consumer loans. Banks expect the increase in demand for both types of credit to households in the previous quarter to continue in 2025 Q1.

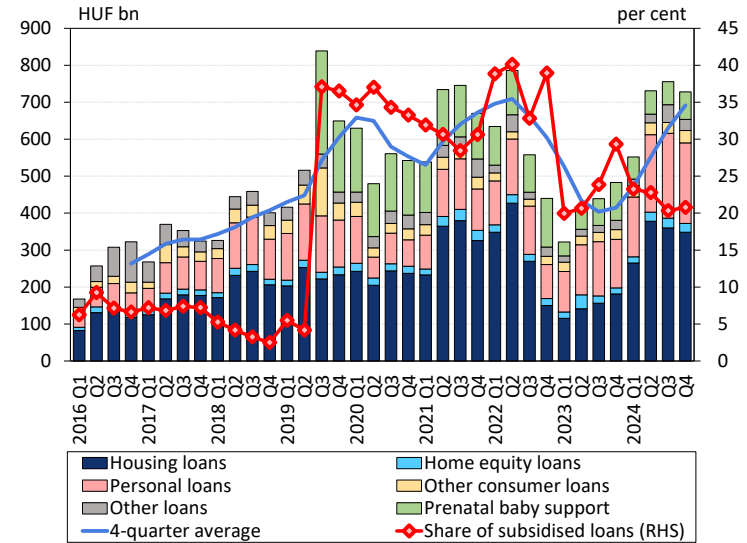


Chart 2: Volume of new household loans

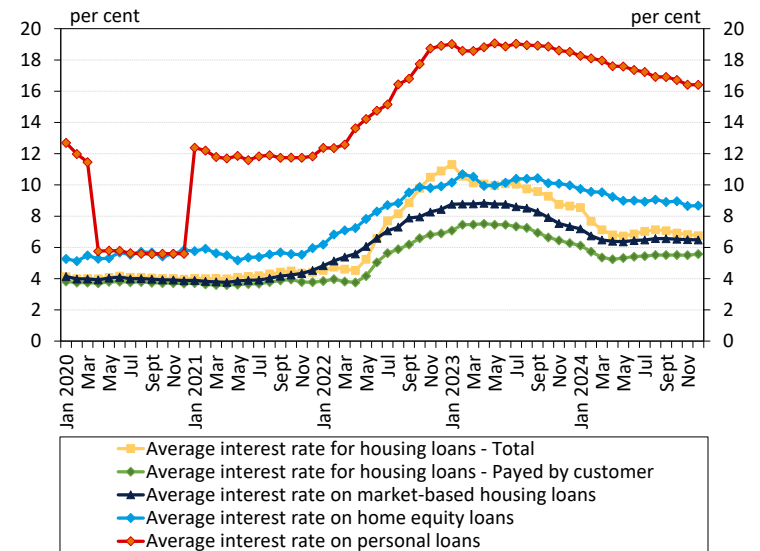


Chart 3: Average interest rates on new household loans



## Corporate lending

**Credit institutions' loans outstanding to non-financial corporations rose by HUF 169 billion in 2024 Q4**, with the annual rate of credit growth slowing from 3.2 per cent in the previous quarter to 1.6 per cent at the end of December. Based on preliminary data, the stock of lending to SMEs grew at a similar rate year on year. The growth rate of domestic corporate credit lies in the middle-range of countries of the EU and lags behind the average growth rate of the Visegrád countries (4.0 per cent).

**In 2024 Q4, the volume of new corporate loans, at HUF 920 billion, was down 3 per cent compared to the level of the same period a year earlier.** With the expiry of loan schemes and their reduced availability, subsidised corporate loans accounted for only 12 per cent of the volume of newly concluded, non-overdraft forms of credit, falling by 15 percentage points in the fourth quarter relative to the same period of the previous year. Subsidised loans to SMEs accounted for 18 per cent of the total at the end of the review period, down from 40 per cent in 2023 Q4. The average interest rate on new small, variable-rate forint loan contracts, concluded with companies on a market basis, was 9.2 per cent, falling by 77 basis points relative to the third quarter. The average interest rate on new large, variable-rate forint loans was 8.3 per cent at the end of 2024 Q4, rising by 16 basis points. The spread on small-amount forint loans fell by 36 basis points relative to the previous quarter. As a result, the spread on small-amount forint loans was 2.5 percentage points in the fourth quarter.

**The banks participating in the Lending Survey left standards on corporate loans broadly unchanged in 2024 Q4, and they do not plan to change them over the next six months.** In 2024 Q4, a net 29 per cent of the banks perceived a decline in demand for long-term loans. Demand for short-term loans, and forint and foreign currency loans, remained unchanged in the quarter. Looking ahead to 2025 H1, banks expect credit demand to pick up, partly due to the Sándor Demjén Programme starting in January 2025, which they expect to be felt in every company size, with demand expected to pick up mainly for forint loans.

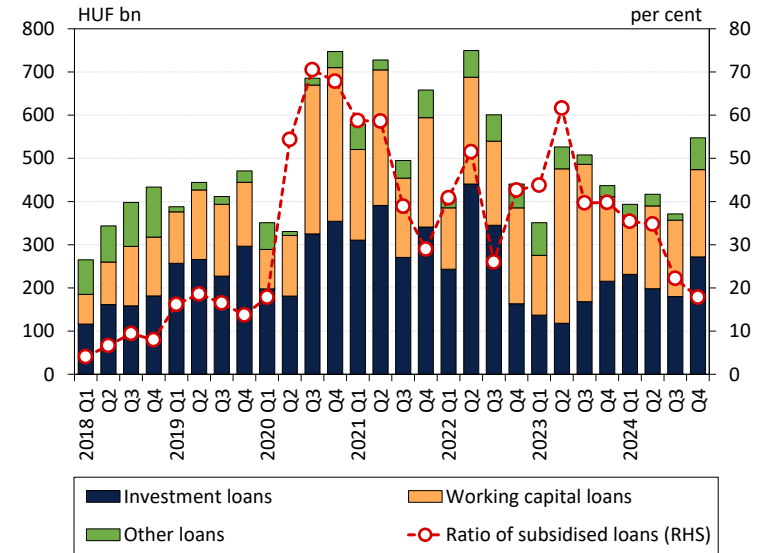


Chart 4: New disbursements of SME loans by loan purpose and the ratio of subsidised loans

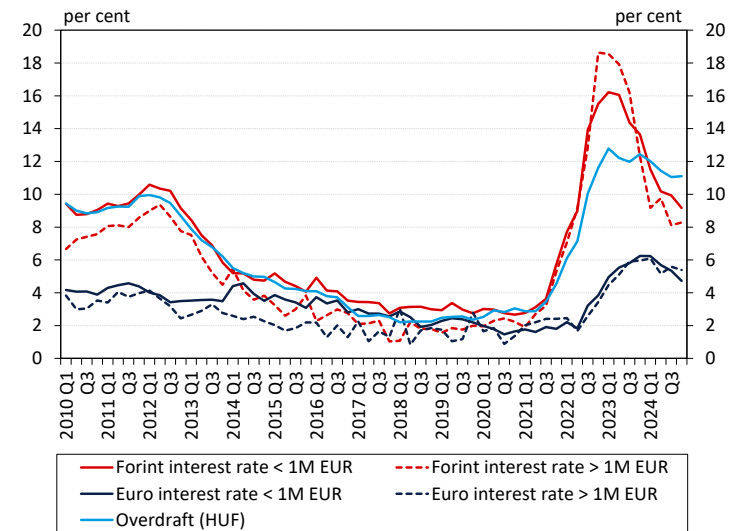


Chart 5: Interest rates on new corporate loans