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PRESS RELEASE

Aggregated balance sheet of credit institutions: June 2010

As in the previous month, in June 2010 forint borrowing by households exceeded repayments, i.e. the sector was a net borrower, while repayments in foreign currency exceeded borrowing, i.e. the sector was a net repayer. On balance, households' total outstanding borrowing, not adjusted for the effects of revaluations and other changes, fell slightly in the month. Households placed more forint deposits than they withdrew, while withdrawals from foreign currency deposits exceeded new deposits, with a resulting decline in their deposits. Non-financial corporations were net repayers in the forint and net borrowers in foreign currency. On balance, they were net repayers in the month. In addition, non-financial corporations placed more forint deposits than they withdrew, which was only partially offset by a fall in their foreign currency deposits. Consequently, the sector's deposits rose significantly.

According to not seasonally adjusted data,¹ in June outstanding borrowing by the household sector (after eliminating the effects of revaluations and other volume changes) fell by HUF 5.4 billion. However, the value of outstanding borrowing increased by HUF 584.9 billion due to rises in exchange rates. Forint borrowing exceeded repayments by HUF 26.3 billion. Outstanding foreign currency borrowing fell by HUF 31.6 billion due to transactions. The stock of foreign currency loans fell by HUF 31.6 billion due to transactions. Deposits fell by HUF 13.5 billion due to transactions, reflecting new forint deposits in an amount of HUF 63.4 billion and net withdrawals of HUF 76.9 billion from foreign currency deposits. According to seasonally and exchange rate adjusted data, net forint borrowing² amounted to HUF 12.8 billion and net repayments of foreign currency loans amounted to HUF 29.2 billion in June. Net new forint deposits amounted to HUF 47.3 billion and net withdrawals from foreign currency deposits amounted to HUF 90.7 billion.

According to not seasonally adjusted data, non-financial corporations' outstanding forint borrowing fell by HUF 60.8 billion due to transactions and their foreign currency borrowing increased by HUF 12.9 billion, with a resulting decline of HUF 48.2 billion in the total. Non-financial corporations' forint deposits rose by HUF 101.4 billion due to transactions, reflecting net new forint deposits in an amount of HUF 117.8 billion and withdrawals of HUF 16.4 billion from foreign currency deposits. According to seasonally and exchange rate adjusted data, net repayments of forint loans amounted to HUF 47.7 billion.³ Net new forint deposits of non-financial corporations amounted to HUF 41.3 billion and net withdrawals from foreign currency deposits amounted to HUF 13.3 billion.

¹ The not seasonally adjusted data are shown in Table 1 (Aggregated balance sheet of credit institutions).

² Net borrowing or net repayments, and net inflows into deposits or net withdrawals (collectively: transactions) are the difference between aggregate borrowing and repayments in the case of loans and between aggregate inflows and withdrawals in the case of deposits, which do not include the effects of revaluations and other changes.

³ In the case of non-financial corporations' foreign currency loans, seasonal adjustment did not produce an appreciable result, due to the considerable change in the behaviour of the series.

In June 2010, foreign liabilities of credit institutions accounted for 32.1% of the sector's balance sheet total.

Table 1 Aggregated balance sheet of credit institutions – not seasonally adjusted data

| June 2010 | | | | | HUF billions | | | | |
|---|----------------|--------------------------------|---------------|----------------|---|----------------|--------------------------------|---------------|----------------|
| Assets | Opening stocks | Revaluations and other changes | Transactions | Closing stocks | Liabilities | Opening stocks | Revaluations and other changes | Transactions | Closing stocks |
| Non-financial corporations (S.11) | 7653,7 | 241,3 | -48,2 | 7846,7 | Non-financial corporations (S.11) | 3870,6 | 52,1 | 101,4 | 4024,1 |
| HUF loans | 3184,3 | -7,2 | -60,8 | 3116,2 | HUF deposits | 2609,7 | 0,0 | 117,8 | 2727,5 |
| FX loans | 4405,1 | 244,5 | 12,9 | 4662,5 | FX deposits | 1260,9 | 52,1 | -16,4 | 1296,6 |
| Securities other than shares | 64,3 | 4,0 | -0,3 | 68,0 | | | | | |
| Other financial corporations (S.123+S.124+S.125) | 1785,3 | 132,3 | -30,0 | 1887,6 | Other financial corporations (S.123+S.124+S.125) | 1028,7 | 6,7 | 10,8 | 1046,2 |
| HUF loans | 347,5 | 0,0 | -3,6 | 343,9 | HUF deposits | 880,9 | 0,0 | 20,3 | 901,2 |
| FX loans | 1374,1 | 132,3 | -26,2 | 1480,1 | FX deposits | 147,8 | 6,7 | -9,5 | 145,0 |
| Securities other than shares | 63,6 | 0,0 | -0,1 | 63,5 | | | | | |
| Central government (S.131) | 3418,8 | 3,8 | 46,8 | 3469,3 | Central government (S.131) | 378,3 | 14,0 | -2,8 | 389,6 |
| HUF loans | 26,8 | 0,0 | 6,1 | 32,9 | HUF deposits | 85,7 | 0,0 | -5,0 | 80,7 |
| FX loans | 41,6 | 1,7 | -0,2 | 43,1 | FX deposits | 292,6 | 14,0 | 2,3 | 308,9 |
| Securities other than shares | 3350,4 | 2,1 | 40,9 | 3393,4 | | | | | |
| Local authorities (S.132) | 865,4 | 48,7 | 28,0 | 942,1 | Local authorities (S.132) | 516,6 | 1,9 | -75,0 | 443,4 |
| HUF loans | 291,8 | 0,0 | 19,6 | 311,4 | HUF deposits | 469,0 | 0,0 | -61,8 | 407,2 |
| FX loans | 106,0 | 9,4 | 0,8 | 116,2 | FX deposits | 47,6 | 1,9 | -13,2 | 36,2 |
| Securities other than shares | 467,6 | 39,3 | 7,6 | 514,5 | | | | | |
| Households (S.14) | 8068,3 | 584,9 | -5,4 | 8647,8 | Households (S.14) | 7267,7 | 54,9 | -13,5 | 7309,1 |
| HUF loans | 2690,2 | -4,7 | 26,3 | 2711,8 | HUF deposits | 6027,7 | 0,0 | 63,4 | 6091,2 |
| FX loans | 5378,1 | 589,5 | -31,6 | 5936,0 | FX deposits | 1239,9 | 54,9 | -76,9 | 1217,9 |
| | | | | | Debt securities issued (held by residents) | 1976,0 | 21,8 | 32,9 | 2030,7 |
| Non-residents (S.2) | 4079,7 | 163,0 | -103,0 | 4139,8 | Non-residents (S.2) | 11072,8 | 614,5 | -262,4 | 11424,9 |
| Remaining assets | 8768,1 | 91,5 | -165,1 | 8694,4 | Remaining liabilities | 8528,6 | 499,4 | -68,3 | 8959,7 |
| Total assets | 34639,3 | 1265,4 | -276,9 | 35627,7 | Total liabilities | 34639,3 | 1265,4 | -276,9 | 35627,7 |

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The seasonally adjusted data are subject to more uncertainty than usual, due to fluctuations caused by the financial crisis.

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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