

PRESS RELEASE

Aggregated balance sheet of credit institutions: October 2011

In October 2011, loan repayments in forint and foreign currency by households exceeded borrowing, i.e. the sector was a net repayer, according to seasonally unadjusted data. Households increased their forint deposits and reduced their foreign currency deposits. As a result of these transactions, the sector's total deposits increased. Non-financial corporations were net borrowers in the forint, while they borrowed less than repaid in foreign currency. In aggregate, the sector's outstanding borrowing increased. In addition, non-financial corporations increased their forint deposits and reduced their foreign currency deposits relative to the previous month, according to transactions data. As a result, the sector's deposits rose relative to the previous month.

In October, the stock of outstanding household debt fell by HUF 191.4 billion due to transactions. Within this, the stock of forint loans fell by HUF 1.7 billion and that of foreign currency loans by HUF 189.6 billion. The large transaction volume of foreign currency loans is attributable to early repayments:¹ calculated at current exchange rates, households prepaid nearly HUF 170 billion of their foreign currency loans.^{2, 3} Within this, the amount actually prepaid by households was HUF 130 billion, calculated at the early repayment exchange rate defined by law.

Household deposits rose by HUF 57.3 billion due to transactions, reflecting net inflows into forint deposits of HUF 114.9 billion and net withdrawals from foreign currency deposits of HUF 57.6 billion.

Outstanding forint debt of non-financial corporations increased by HUF 42.4 billion and their foreign currency debt fell by HUF 9.1 billion, excluding revaluations and other volume changes. The stock of bonds issued by the sector held by credit institutions fell by HUF 20.0 billion due to transactions. In aggregate, the sector's outstanding borrowing rose by HUF 13.2 billion due to transactions. Non-financial corporations' deposits increased by HUF 25.7 billion, excluding revaluations and other

¹ On 19 September 2011, Parliament passed Act CXXI of 2001 amending certain laws on home protection, which was brought into force on 29 September. Under the amendment, the law defines a range of consumers with foreign currency-denominated loans who can prepay, i.e. to repay in full, their existing debt at a fixed exchange rate which is lower than current market rates.

² The Hungarian Financial Supervisory Authority also releases data on early repayments; however, these are cumulated values, calculated from the day of entry into force of the law, while this Press Release contains only data on early repayments that occurred during October.

³ Transaction values due to early repayments are calculated at current daily market exchange rates. By contrast, the basis for calculating other transaction values in this Press Release is the monthly average exchange rate of the MNB for October. (The current daily exchange is the exchange rate used by data providers for the valuation of foreign currency assets and liabilities at the time of early repayment, as disclosed in their accounting policies.)

volume changes: net inflows into forint deposits amounted to HUF 53.1 billion and net withdrawals from foreign currency deposits amounted to HUF 27.3 billion.

In October, foreign liabilities of credit institutions accounted for 28.2% of the sector's balance sheet total.

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

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

October 2011					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)	7693,6	121,8	13,2	7828,6	Non-financial corporations (S.11)	4134,2	30,1	25,7	4190,1
HUF loans	3187,3	-4,8	42,4	3224,8	HUF deposits	2804,5	0,0	53,1	2857,5
FX loans	4381,2	124,4	-9,1	4496,5	FX deposits	1329,7	30,1	-27,3	1332,5
Securities other than shares	125,0	2,2	-20,0	107,3					
Other financial corporations (S.123+S.124+S.125)	1612,3	32,5	-27,3	1617,4	Other financial corporations (S.123+S.124+S.125)	1040,9	3,9	-4,4	1040,4
HUF loans	417,1	0,0	-3,5	413,7	HUF deposits	847,8	0,0	21,3	869,2
FX loans	1161,1	32,5	-20,3	1173,2	FX deposits	193,0	3,9	-25,7	171,3
Securities other than shares	34,1	0,0	-3,6	30,5					
Central government (S.131)	3323,1	5,5	-154,4	3174,1	Central government (S.131)	374,9	3,3	22,0	400,2
HUF loans	59,4	0,0	-7,9	51,5	HUF deposits	175,6	0,0	22,1	197,6
FX loans	42,1	1,3	-0,3	43,1	FX deposits	199,4	3,3	-0,1	202,6
Securities other than shares	3221,6	4,2	-146,3	3079,5					
Local authorities (S.132)	1063,0	18,6	17,8	1099,4	Local authorities (S.132)	458,8	1,4	-54,6	405,7
HUF loans	366,0	0,0	15,2	381,3	HUF deposits	411,0	0,0	-53,0	358,0
FX loans	111,3	3,3	2,3	116,9	FX deposits	47,8	1,4	-1,5	47,7
Securities other than shares	585,7	15,4	0,2	601,3					
Households (S.14)	8692,2	145,1	-191,4	8645,9	Households (S.14)	7621,0	25,3	57,3	7703,6
HUF loans	2916,3	-3,8	-1,7	2910,8	HUF deposits	6485,8	0,0	114,9	6600,6
FX loans	5775,9	148,9	-189,6	5735,2	FX deposits	1135,2	25,3	-57,6	1103,0
- of which final repayment transactions*			-170,0						
					Debt securities issued (held by residents)	2515,2	26,3	28,0	2569,5
Non-residents (S.2)	3609,7	52,6	180,7	3843,0	Non-residents (S.2)	9874,3	226,5	-149,0	9951,7
Remaining assets	9317,7	37,6	-276,8	9078,5	Remaining liabilities	9292,3	96,9	-363,3	9025,8
Total assets	35311,6	413,6	-438,2	35287,0	Total liabilities	35311,6	413,6	-438,2	35287,0

* Transaction values due to early repayments are calculated at current daily market exchange rates. By contrast, the basis for calculating other transaction values in the Table is the monthly average exchange rate of the MNB for October. (The current daily exchange is the exchange rate used by data providers for the valuation of foreign currency assets and liabilities at the time of early repayment, as disclosed in their accounting policies.)

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.

Detailed tables: [Time series](#)
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