

## PRESS RELEASE

### Aggregated balance sheet of credit institutions: December 2011

*In December 2011, households were net borrowers in the forint and net repayers in foreign currency, according to seasonally unadjusted data. As a result, the sector's outstanding borrowing fell. Households increased their forint deposits and reduced slightly their foreign currency deposits, with a resulting increase in their total deposits. Non-financial corporations were net repayers both in the forint and foreign currency. Their forint deposits increased, while their foreign currency deposits fell by an amount exceeding the increase in forint deposits. As a result, their total deposits fell relative to the previous month.*

In December, the stock of outstanding household debt fell by HUF 226.1 billion due to transactions. This reflected an increase of HUF 62.2 billion in forint loans and a decline of HUF 288.3 billion in foreign currency loans. In part, this change resulted from early repayments:<sup>1</sup> calculated at current exchange rates, households prepaid nearly HUF 259.9 billion of their foreign currency loans in December.<sup>2, 3</sup> Within this, the amount actually prepaid by the sector was some HUF 188.4 billion, calculated at the early repayment exchange rate defined by law. Forint lending by banks for early repayment purposes accounted for nearly HUF 63.1 billion of the increase in outstanding forint borrowing.

Total household deposits increased by HUF 97.8 billion due to transactions, reflecting net inflows into forint deposits of HUF 104.2 billion and net withdrawals from foreign currency deposits of HUF 6.4 billion.

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<sup>1</sup> 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.

<sup>2</sup> The Hungarian Financial Supervisory Authority also releases data on early repayments and loans for early repayment; 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 and loans for early repayment granted during December. This press release presents data on credit institutions operating as limited companies and cooperatives as well as branches of credit institutions. The Methodological notes contain further information on estimating the data on monthly early repayments and loans for early repayment. The statistical data published by the HFSA are available at: [http://www.pszaf.hu/en/left\\_menu/pszafen\\_publication/full\\_repayment.html](http://www.pszaf.hu/en/left_menu/pszafen_publication/full_repayment.html).

<sup>3</sup> 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 December. (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.)

Outstanding forint and foreign currency debt of non-financial corporations fell by HUF 79.3 billion and HUF 69.6 billion, respectively, excluding revaluations and other volume changes. The stock of bonds issued by the sector and held by credit institutions increased by HUF 9.7 billion due to transactions. In aggregate, the sector's outstanding borrowing fell by HUF 139.3 billion. Non-financial corporations' total deposits declined by HUF 22.6 billion, excluding revaluations and other volume changes: net inflows into forint deposits amounted to HUF 40.3 billion and net withdrawals from foreign currency deposits amounted to HUF 62.9 billion.

A [table](#), published in conjunction with this press release, contains further information on the monthly financing of households and non-financial corporations using preliminary statistical data on securities holdings, in addition to data provided by credit institutions.

In December, foreign liabilities of credit institutions accounted for 26.7% of the sector's balance sheet total.

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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**

December 2011					HUF billions				
Assets	Opening stocks	Revaluations and other changes	Transactions	Closing stocks	Liabilities	Opening stocks	Revaluations and other changes	Transactions	Closing stocks
<b>Non-financial corporations (S.11)</b>	<b>7996,7</b>	<b>-12,6</b>	<b>-139,3</b>	<b>7844,8</b>	<b>Non-financial corporations (S.11)</b>	<b>4437,1</b>	<b>2,9</b>	<b>-22,6</b>	<b>4417,4</b>
HUF loans	3221,0	-12,8	-79,3	3128,9	HUF deposits	2948,2	0,0	40,3	2988,5
FX loans	4666,5	0,1	-69,6	4597,0	FX deposits	1488,9	2,9	-62,9	1428,9
Securities other than shares	109,1	0,1	9,7	118,9					
<b>Other financial corporations (S.123+S.124+S.125)</b>	<b>1636,5</b>	<b>4,5</b>	<b>-107,1</b>	<b>1533,9</b>	<b>Other financial corporations (S.123+S.124+S.125)</b>	<b>1031,4</b>	<b>0,3</b>	<b>-2,7</b>	<b>1028,9</b>
HUF loans	422,6	1,6	-32,1	392,0	HUF deposits	843,6	0,0	14,1	857,8
FX loans	1182,6	2,9	-77,5	1108,0	FX deposits	187,8	0,3	-16,9	171,2
Securities other than shares	31,4	0,0	2,5	33,8					
<b>Central government (S.131)*</b>	<b>3344,7</b>	<b>1,8</b>	<b>55,7</b>	<b>3402,2</b>	<b>Central government (S.131)</b>	<b>310,7</b>	<b>1,5</b>	<b>-3,9</b>	<b>308,3</b>
HUF loans	43,3	0,0	44,5	87,8	HUF deposits	135,8	0,0	-5,3	130,5
FX loans	44,8	2,5	93,1	140,5	FX deposits	174,9	1,5	1,5	177,8
Securities other than shares	3256,6	-0,7	-81,9	3174,0					
<b>Local authorities (S.132)*</b>	<b>1126,4</b>	<b>0,3</b>	<b>-151,8</b>	<b>974,8</b>	<b>Local authorities (S.132)</b>	<b>389,3</b>	<b>-0,2</b>	<b>-2,9</b>	<b>386,2</b>
HUF loans	387,4	0,0	-43,8	343,5	HUF deposits	332,9	0,0	3,6	336,5
FX loans	120,6	0,3	-2,4	118,6	FX deposits	56,4	-0,2	-6,5	49,7
Securities other than shares	618,4	-0,1	-105,6	512,7					
<b>Households (S.14)</b>	<b>8655,4</b>	<b>77,0</b>	<b>-226,1</b>	<b>8506,3</b>	<b>Households (S.14)</b>	<b>7690,8</b>	<b>4,1</b>	<b>97,8</b>	<b>7792,7</b>
HUF loans	2942,9	-0,8	62,2	3004,3	HUF deposits	6602,7	0,0	104,2	6706,9
- of which granted loans for early repayment**			63,1		FX deposits	1088,2	4,1	-6,4	1085,8
FX loans	5712,5	77,8	-288,3	5501,9					
- of which early repayment transactions***			-259,9		<b>Debt securities issued (held by residents)</b>	<b>2657,0</b>	<b>-6,4</b>	<b>-244,7</b>	<b>2405,9</b>
<b>Non-residents (S.2)</b>	<b>3978,8</b>	<b>7,8</b>	<b>-184,0</b>	<b>3802,6</b>	<b>Non-residents (S.2)</b>	<b>10013,9</b>	<b>2,8</b>	<b>-716,6</b>	<b>9300,1</b>
<b>Remaining assets</b>	<b>9717,0</b>	<b>-36,5</b>	<b>-933,4</b>	<b>8747,1</b>	<b>Remaining liabilities</b>	<b>9925,2</b>	<b>37,3</b>	<b>-790,4</b>	<b>9172,1</b>
<b>Total assets</b>	<b>36455,4</b>	<b>42,2</b>	<b>-1686,0</b>	<b>34811,6</b>	<b>Total liabilities</b>	<b>36455,4</b>	<b>42,2</b>	<b>-1686,0</b>	<b>34811,6</b>

\* Under Act CLIV of 2011 on the consolidation of county governments and the take-over of county institutions and certain health institutions of the Municipality of Budapest, the Hungarian State, as of 30 December 2011, assumed the debt and charges of county governments existing as at 30 December 2011, as well as a part of the debt and charges of the Municipality of Budapest existing as at 30 December 2011, which have arisen specifically in relation to the institutions to be taken over and the tasks they perform.

\*\* Loans for early repayment are granted by credit institutions to households for the purpose of repaying foreign currency loans at a preferential interest rate.

\*\*\* 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 December. (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](http://www.mnb.hu).*

Detailed tables: [Time series](#)

Charts: [Chart pack](#)

Notes: [Methodological notes](#)

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