

PRESS RELEASE

Aggregated balance sheet of credit institutions: February 2012

In February 2012, 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 reduced their forint deposits and increased their foreign currency deposits in the month. This was reflected in a decline in the sector's total deposits. Non-financial corporations were net borrowers in the forint and net repayers in foreign currency. As a result, their outstanding borrowing fell. Compared with January, their foreign currency deposits increased, while their forint deposits fell by an amount larger than the increase in foreign currency deposits. As a result of these changes, the sector's total deposits also declined relative to the previous month.

In February, the stock of outstanding household debt fell by HUF 183.6 billion due to transactions. This reflected an increase of HUF 82.9 billion in forint loans and a decline of HUF 266.5 billion in foreign currency loans due to transactions. In large part, this change resulted from early repayments:¹ calculated at current exchange rates, households prepaid nearly HUF 274.3 billion of their foreign currency loans in February.^{2, 3} Within this, the amount actually prepaid by the sector was some HUF 203.7 billion, calculated at the early repayment exchange rate defined by law. One of the major factors accounting for the increase in outstanding forint borrowing was forint lending by banks for early repayment purposes in the amount of nearly HUF 88.8 billion. Households prepaid foreign currency loans in a total amount of HUF 1,315.0 billion between 29 September 2011 to end-February 2012, i.e. the entire period available for early repayments. Calculated at early repayment exchange rates, this was equivalent to actual repayments of HUF 956.1 billion. Forint lending by

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 defined a range of consumers with foreign currency-denominated loans who could prepay, i.e. to repay in full, their existing debt at a fixed exchange rate which was lower than current market rates.

² Due to methodology for estimating data, the stock of lending for early repayment in a given month as well as transactions due to early repayments exceed the transaction values calculated for the reference month. More information on the methodology for estimating data is available in the [Methodological notes](#).

³ 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 the reference month. 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.

credit institutions to households for early repayment purposes amounted to HUF 298.1 billion during the period.

Total household deposits fell by HUF 22.9 billion due to transactions, reflecting net withdrawals from forint deposits of HUF 47.2 billion and net inflows into foreign currency deposits of HUF 24.4 billion.

Outstanding forint debt of non-financial corporations rose by HUF 1.3 billion and their foreign currency debt fell by HUF 44.0 billion, excluding revaluations and other volume changes. The stock of bonds issued by the sector and held by credit institutions increased by HUF 0.1 billion due to transactions. In aggregate, the sector's outstanding borrowing fell by HUF 42.7 billion. Non-financial corporations' total deposits declined by HUF 10.6 billion, excluding revaluations and other volume changes: net withdrawals from forint deposits amounted to HUF 73.7 billion and net inflows into foreign currency deposits amounted to HUF 63.1 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 February, foreign liabilities of credit institutions accounted for 25.8% 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

February 2012

HUF billion

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)	7560,6	-64,4	-42,7	7453,5	Non-financial corporations (S.11)	4163,2	-22,1	-10,6	4130,5
HUF loans	3169,2	-5,0	1,3	3165,5	HUF deposits	2794,3	0,0	-73,7	2720,6
FX loans	4276,2	-58,7	-44,0	4173,5	FX deposits	1368,9	-22,1	63,1	1409,8
Securities other than shares	115,2	-0,7	0,1	114,5					
Other financial corporations (S.123+S.124+S.125)	1450,5	-13,5	-17,4	1419,6	Other financial corporations (S.123+S.124+S.125)	1095,6	-2,7	-16,2	1076,7
HUF loans	390,7	0,0	5,1	395,7	HUF deposits	923,4	0,0	-18,7	904,7
FX loans	1025,4	-13,5	-24,9	987,0	FX deposits	172,2	-2,7	2,4	172,0
Securities other than shares	34,4	0,0	2,4	36,8					
Central government (S.131)	3497,9	-1,9	154,4	3650,4	Central government (S.131)	294,5	-3,5	-26,0	265,1
HUF loans	125,8	0,0	-8,4	117,4	HUF deposits	129,0	0,0	8,1	137,1
FX loans	128,0	-1,6	1,8	128,1	FX deposits	165,5	-3,5	-34,1	128,0
Securities other than shares	3244,1	-0,2	160,9	3404,9					
Local authorities (S.132)	945,6	-9,1	10,1	946,5	Local authorities (S.132)	335,1	-0,6	-32,1	302,3
HUF loans	347,5	0,0	9,8	357,3	HUF deposits	287,5	0,0	-33,0	254,4
FX loans	124,8	-1,6	-1,8	121,4	FX deposits	47,7	-0,6	0,9	47,9
Securities other than shares	473,4	-7,5	2,1	467,9					
Households (S.14)	7893,7	-76,3	-183,6	7633,8	Households (S.14)	7529,5	-16,3	-22,9	7490,4
HUF loans	3123,8	-3,9	82,9	3202,8	HUF deposits	6552,2	0,0	-47,2	6504,9
- of which granted loans for early repayment*			88,8		FX deposits	977,3	-16,3	24,4	985,5
FX loans	4769,9	-72,4	-266,5	4431,0					
- of which early repayment transactions**			-274,3		Debt securities issued (held by residents)	2379,3	-9,8	-12,3	2357,2
Non-residents (S.2)	3621,2	-51,2	-46,0	3523,9	Non-residents (S.2)	8732,6	-106,7	-73,6	8552,3
Remaining assets	8699,8	-28,7	-196,0	8475,1	Remaining liabilities	9139,3	-83,4	-127,4	8928,4
Total assets	33669,2	-245,1	-321,3	33102,8	Total liabilities	33669,2	-245,1	-321,3	33102,8

* 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 as well as data on lending for early repayment are estimates. More information on the methodology for estimating data is available in the [Methodological notes](#).

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](#)

Charts: [Chart pack](#)

Notes: [Methodological notes](#)

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