

30 September 2008

PRESS RELEASE

Aggregated balance sheet of credit institutions: August 2008

According to seasonally adjusted transaction data, total net borrowing by non-financial corporations and households fell in August. There was a sharp decline in net borrowing in forint and foreign currency by non-financial corporations. That compared with an only slight drop in borrowing by households. On the deposit side, net deposit inflows were replaced by outflows. Both sectors' new deposits fell significantly, with a net withdrawal of deposits in the case of non-financial corporations. There was a slight shift within total household deposits towards forint deposits.

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

August 2008					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)	7490,2	125,1	43,3	7658,6	Non-financial corporations (S.11)	4358,7	58,4	-438,6	3978,5
HUF loans	3905,0	-3,5	40,7	3942,2	HUF deposits	2631,1	0,0	-29,3	2601,8
FX loans	3546,4	127,9	1,1	3675,4	FX deposits	1727,6	58,4	-409,3	1376,7
Securities other than shares	38,9	0,7	1,4	40,9					
Other financial corporations (S.123+S.124+S.125)	1847,5	63,5	34,2	1945,2	Other financial corporations (S.123+S.124+S.125)	939,6	4,6	93,0	1037,2
HUF loans	236,1	0,0	32,5	268,6	HUF deposits	831,0	0,0	65,1	896,1
FX loans	1555,2	63,5	12,4	1631,2	FX deposits	108,6	4,6	27,9	141,0
Securities other than shares	56,1	0,0	-10,7	45,4					
Central government (S.131)	2918,3	1,8	2,1	2922,2	Central government (S.131)	93,7	0,8	3,9	98,4
HUF loans	28,3	0,0	-0,8	27,5	HUF deposits	70,1	0,0	3,9	74,0
FX loans	12,5	0,5	11,8	24,8	FX deposits	23,6	0,8	0,0	24,4
Securities other than shares	2877,6	1,2	-8,9	2869,9					
Local authorities (S.132)	658,1	16,2	-10,6	663,7	Local authorities (S.132)	427,5	4,2	16,2	447,9
HUF loans	274,6	0,0	-6,8	267,8	HUF deposits	322,4	0,0	25,7	348,1
FX loans	68,6	2,7	0,6	72,0	FX deposits	105,1	4,2	-9,5	99,8
Securities other than shares	314,8	13,5	-4,3	324,0					
Households (S.14)	6320,8	159,5	102,1	6582,5	Households (S.14)	6377,9	41,9	87,5	6507,3
HUF loans	2617,1	-1,9	-3,1	2612,0	HUF deposits	5335,8	0,0	76,5	5412,3
FX loans	3703,7	161,5	105,2	3970,4	FX deposits	1042,1	41,9	11,0	1095,0
					Debt securities issued (held by residents)	1203,9557	1,4498262	-20,82327883	1184,5823
Non-residents (S.2)	3451,7	144,4	-170,0	3426,1	Non-residents (S.2)	8467,9	292,7	273,6	9034,2
Remaining assets	6599,0	46,7	-195,9	6449,8	Remaining liabilities	7416,4	153,1	-209,6	7360,0
Total assets	29285,6	557,2	-194,8	29648,0	Total liabilities	29285,6	557,2	-194,8	29648,0

Seasonally adjusted net borrowing by non-financial corporations and households fell in August compared with July.¹ According to seasonally adjusted data, forint and foreign currency-denominated net borrowing by non-financial corporations amounted to HUF 33.0 billion and HUF 1.1 billion, respectively.² Looking at the yearly average, forint loans account for a greater percentage share within total borrowing by non-financial corporations. Foreign currency borrowing by households, accounting for a larger part of total borrowing transactions, remained close to the level of the previous month. In contrast, there was a net repayment of forint loans in the month compared with July. Seasonally not adjusted outstanding borrowing by both sectors rose. However, the effects of revaluations and other changes, at HUF 124.4 billion for non-financial corporations and at HUF 159.5 billion for households, accounted to a large share, due to the depreciation of the forint. Outstanding borrowing of non-financial corporations has been around equally split between the forint and foreign currencies in the period since the beginning of the year. In contrast, in August foreign currency loans continued to increase as a share of households' total outstanding borrowing, to exceed 60%.

According to seasonally adjusted data, non-financial corporations made a net withdrawal of HUF 17.5 billion and HUF 94.1 billion, respectively, from their forint and foreign currency deposits. In the case of households, there was a slight shift away from foreign currency towards forint deposits. New forint deposits amounted to HUF 38.8 billion and new foreign currency deposits amounted to HUF 11.0 billion, seasonally adjusted. This is also reflected by the not seasonally adjusted data. Accordingly, non-financial corporations' foreign currency deposits fell by HUF 300 billion. Households' forint and foreign currency deposits rose by some HUF 130 billion. Nearly one-third of the increase was accounted for by revaluations and other changes.

Foreign liabilities of credit institutions, i.e. their dependence on foreign funding, continued to rise as a percentage of the balance sheet total, to reach 30.5%. The percentage share of foreign assets fell slightly to 11.6%, and remained slightly above the annual average.

Detailed tables: [Time series](#)

Charts: [Chart pack](#)

Notes: [Mythological notes](#)

Q&A: [Questions and answers](#)

¹ In assessing the data, the strong volatility of non-financial corporations' forint and foreign currency borrowing transactions should be taken into account.

² The time series for non-financial corporations' foreign currency borrowing does not show any seasonal patterns. Therefore, the press release contains the seasonally not adjusted time series instead of the seasonally adjusted data.

CHARTS

Chart 1 Net borrowing by non-financial corporations – seasonally adjusted data

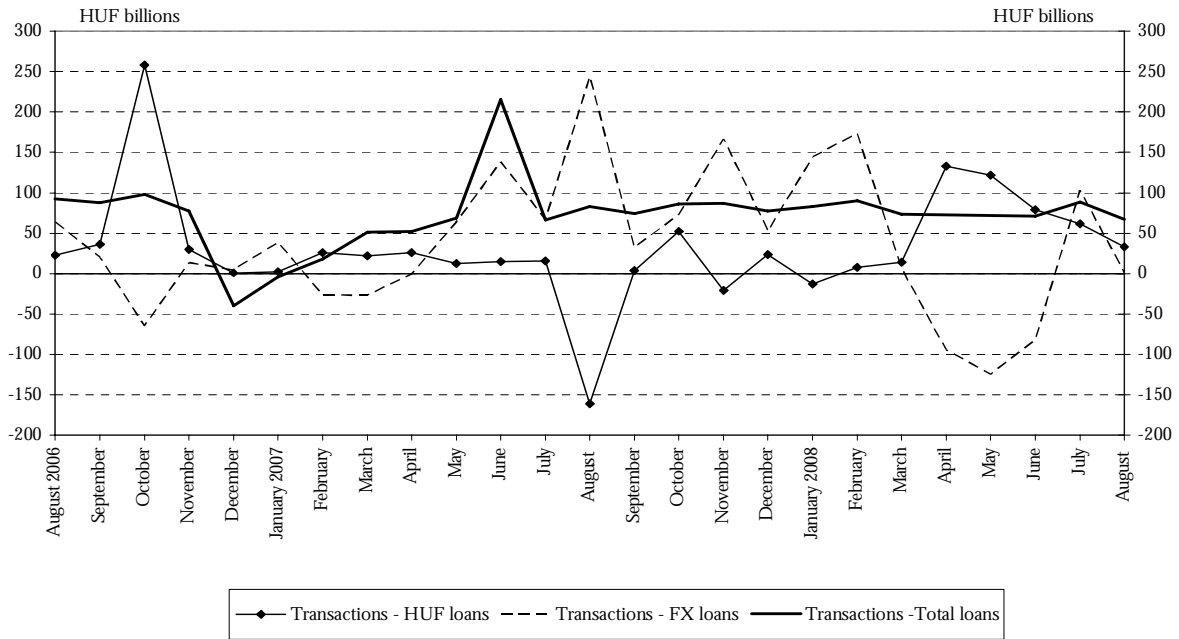


Chart 2 Net borrowing by households – seasonally adjusted data

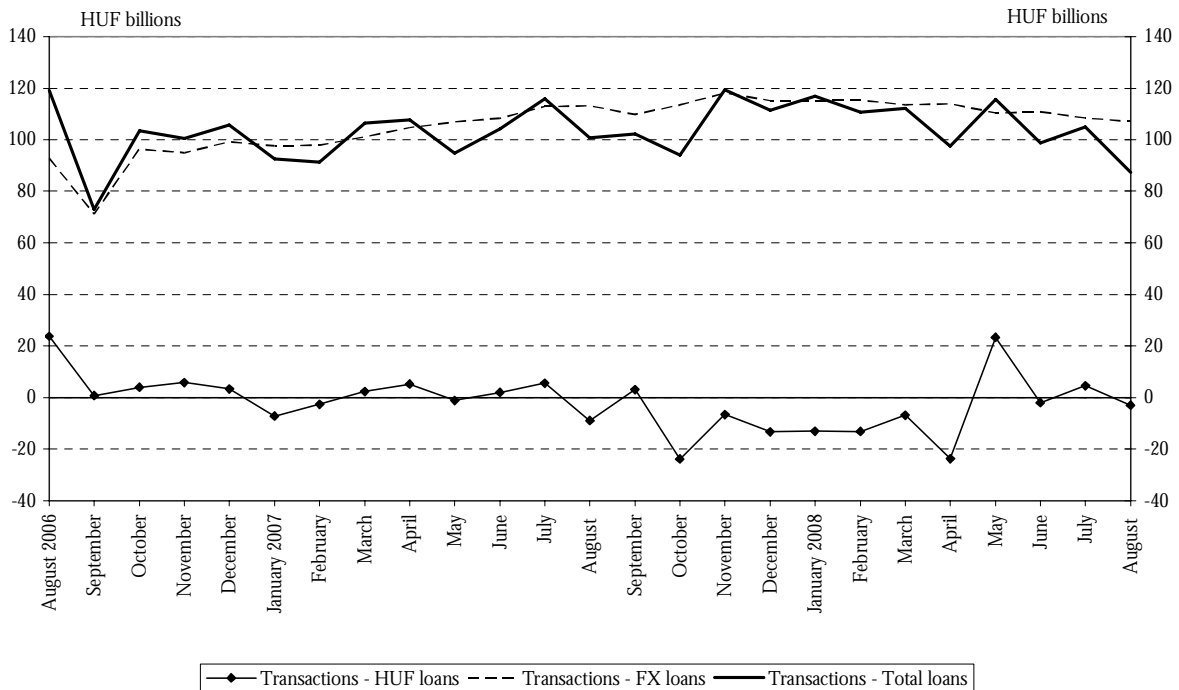
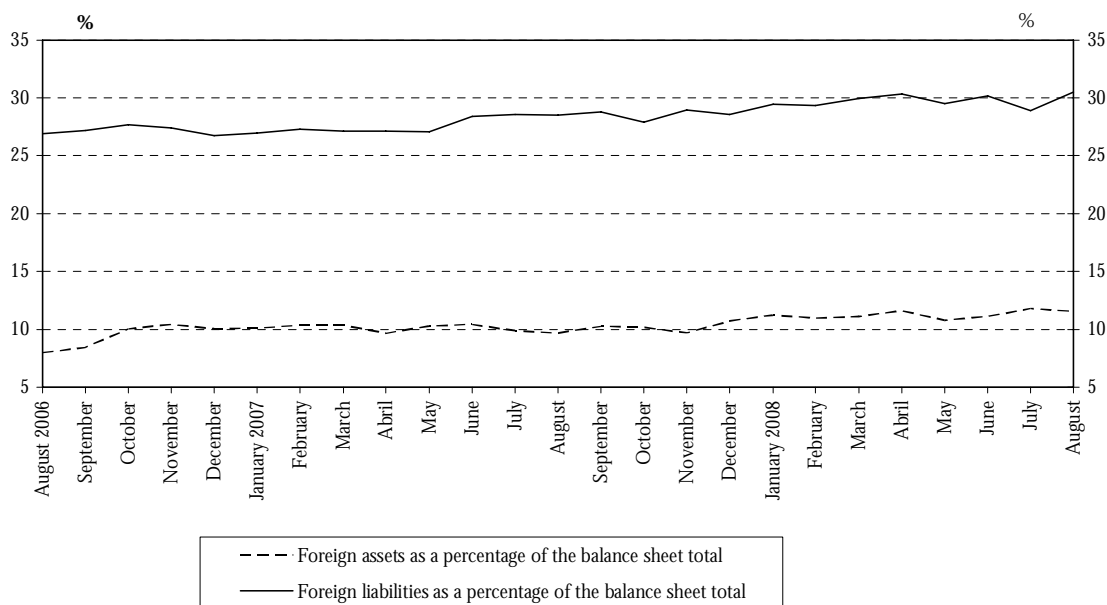


Chart 3 Real growth of the monetary aggregates³



Chart 4 Total foreign exposure of credit institutions



³ Transactions-based growth rate (see the Methodological notes).

One of the primary statutory duties of the Magyar Nemzeti Bank is to collect and publish statistical information. The MNB makes available for users statistical data compiled in accordance with international standards on a regular basis. The Quarterly Report on Inflation and the Report on Financial Stability, the Bank's periodical publications, contain compressive analyses of underlying economic processes and are accessible at www.mnb.hu.

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