

PRESS RELEASE

Aggregated balance sheet of credit institutions: September 2008

According to seasonally adjusted transaction data, total net borrowing by non-financial corporations and households rose in September. There were sharp increases in net borrowing in foreign currency by non-financial corporations and households. On the deposit side, the direction of net transactions was reversed, with an increase in net deposits in the month. New foreign currency deposits of the two sectors rose very slightly, with households actually withdrawing deposits overall. The shift towards forint deposits within total household deposits, which began in August, continued in the month under review.

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)	7658,6	99,0	78,8	7836,4	Non-financial corporations (S.11)	3978,4	33,2	6,0	4017,6
HUF loans	3942,2	-5,2	-51,9	3885,2	HUF deposits	2601,8	0,0	-20,8	2581,0
FX loans	3675,4	104,0	129,6	3909,0	FX deposits	1376,7	33,3	26,7	1436,6
Securities other than shares	40,9	0,2	1,1	42,3					
Other financial corporations (S.123+S.124+S.125)	1945,2	65,8	19,1	2030,1	Other financial corporations (S.123+S.124+S.125)	1025,2	3,2	-50,4	978,1
HUF loans	268,6	0,0	-6,3	262,3	HUF deposits	896,1	0,0	-44,2	852,0
FX loans	1631,2	65,8	24,7	1721,7	FX deposits	129,1	3,2	-6,2	126,2
Securities other than shares	45,4	0,0	0,6	46,1					
Central government (S.131)	2922,2	-1,5	-130,8	2789,9	Central government (S.131)	98,4	0,6	13,6	112,7
HUF loans	27,5	0,0	4,3	31,8	HUF deposits	74,0	0,0	13,2	87,2
FX loans	24,8	0,5	0,0	25,3	FX deposits	24,4	0,6	0,4	25,5
Securities other than shares	2869,9	-2,0	-135,1	2732,8					
Local authorities (S.132)	663,7	17,2	-13,3	667,6	Local authorities (S.132)	447,9	3,3	127,1	578,3
HUF loans	267,8	0,0	-20,4	247,3	HUF deposits	348,1	0,0	154,4	502,5
FX loans	72,0	2,9	6,0	80,8	FX deposits	99,8	3,3	-27,3	75,8
Securities other than shares	324,0	14,4	1,1	339,5					
Households (S.14)	6582,5	175,4	121,3	6879,2	Households (S.14)	6507,7	28,7	4,5	6540,9
HUF loans	2612,0	-2,2	1,1	2611,0	HUF deposits	5412,7	0,0	5,0	5417,7
FX loans	3970,4	177,7	120,2	4268,3	FX deposits	1095,0	28,7	-0,5	1123,2
					Debt securities issued (held by residents)	1184,6	1,2	17,4	1203,1
Non-residents (S.2)	3426,1	92,0	436,6	3954,7	Non-residents (S.2)	9046,2	239,1	301,3	9586,6
Remaining assets	6449,8	41,2	-31,9	6459,1	Remaining liabilities	7359,5	180,0	60,3	7599,8
Total assets	29648,0	489,3	479,8	30617,2	Total liabilities	29648,0	489,3	479,8	30617,2

Seasonally adjusted net borrowing by non-financial corporations and households rose in September compared with August.¹ According to seasonally adjusted data, forint loans of non-financial corporations fell by HUF 52.9 billion, while net foreign currency borrowing² rose by HUF 129.6 billion, much more strongly than in the previous month. Transactions in foreign currency loans, accounting for the greater part of net borrowing by households, amounted to HUF 131.1 billion, exceeding the outturn for the previous month. By contrast, there was a HUF 1.1 billion fall in outstanding forint loans. Seasonally not adjusted outstanding borrowing by both sectors rose in the month. However, the effects of revaluations and other changes, at HUF 99.0 billion for non-financial corporations and at HUF 175.4 billion for households, accounted for a large share, due to the depreciation of the forint. Non-financial corporations' loans have been around equally split between the forint and foreign currencies in the period since the beginning of the year. Foreign currency loans account for nearly 62% of households' total outstanding borrowing.

According to seasonally adjusted data, non-financial corporations reduced their forint and foreign currency deposits by HUF 7.2 billion and HUF 2.0 billion, respectively, in September. In the household sector, the shift away from foreign currency towards forint deposits, which began in August, continued in the review month. Forint deposits rose by HUF 44.6 billion, in contrast with foreign currency deposits, which fell by HUF 0.5 billion (seasonally adjusted). According to seasonally not adjusted data, non-financial corporations' foreign currency deposits rose by HUF 60 billion. However, revaluations accounted for more than 55% of the increase in the sector's deposits. NFCs' forint deposits fell by HUF 20.8 billion. Households' forint deposits rose by HUF 5.0 billion. The increase in the sector's foreign currency deposits was fully accounted for by revaluations.

In September, foreign assets and liabilities of credit institutions continued to rise as a percentage of the balance sheet total. The ratio of the sector's dependence on foreign funding rose to 31.31%.

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

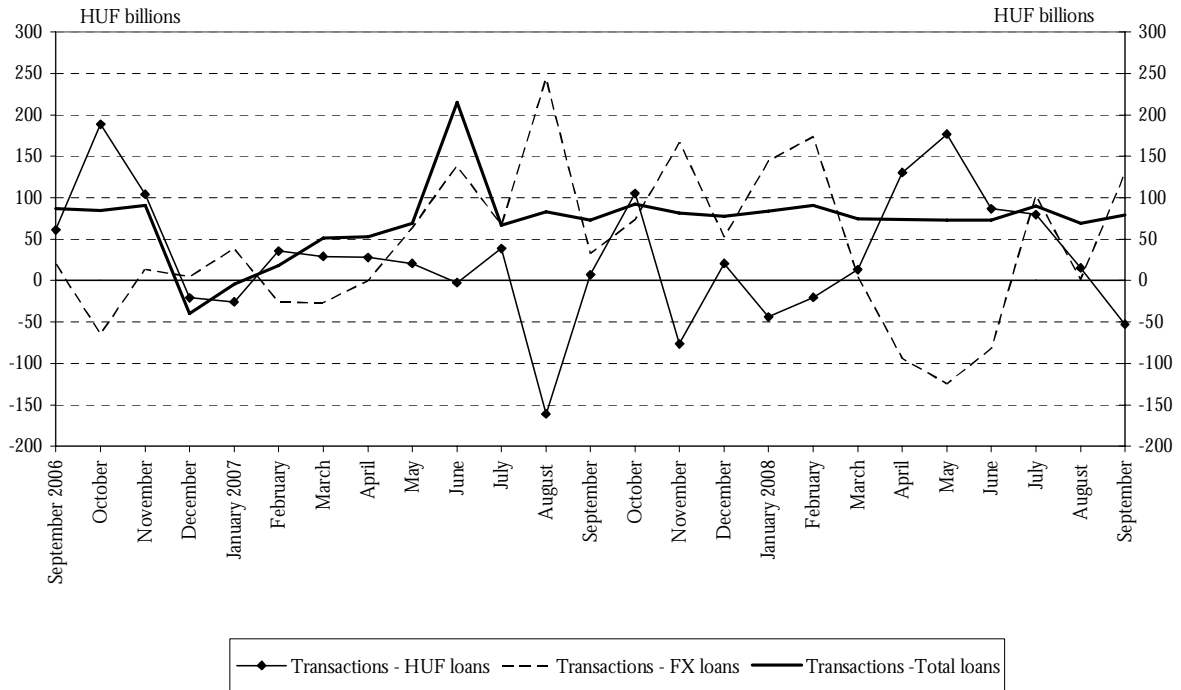


Chart 2 Net borrowing by households – seasonally adjusted data

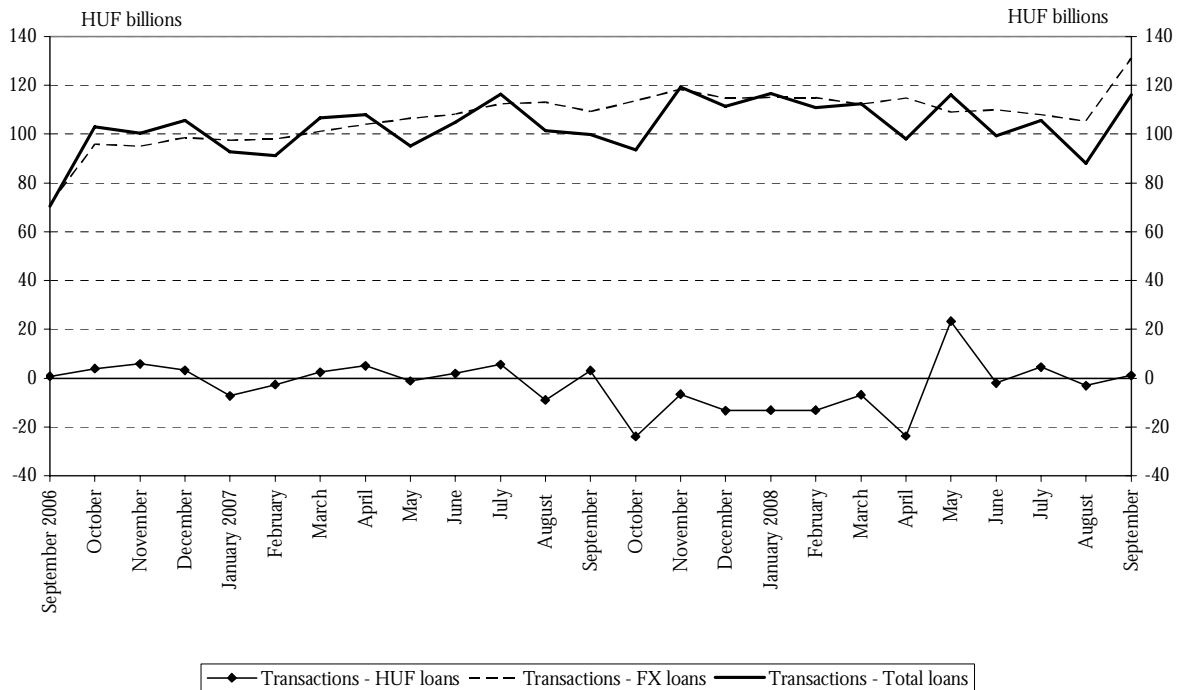


Chart 3 Real growth of the monetary aggregates³

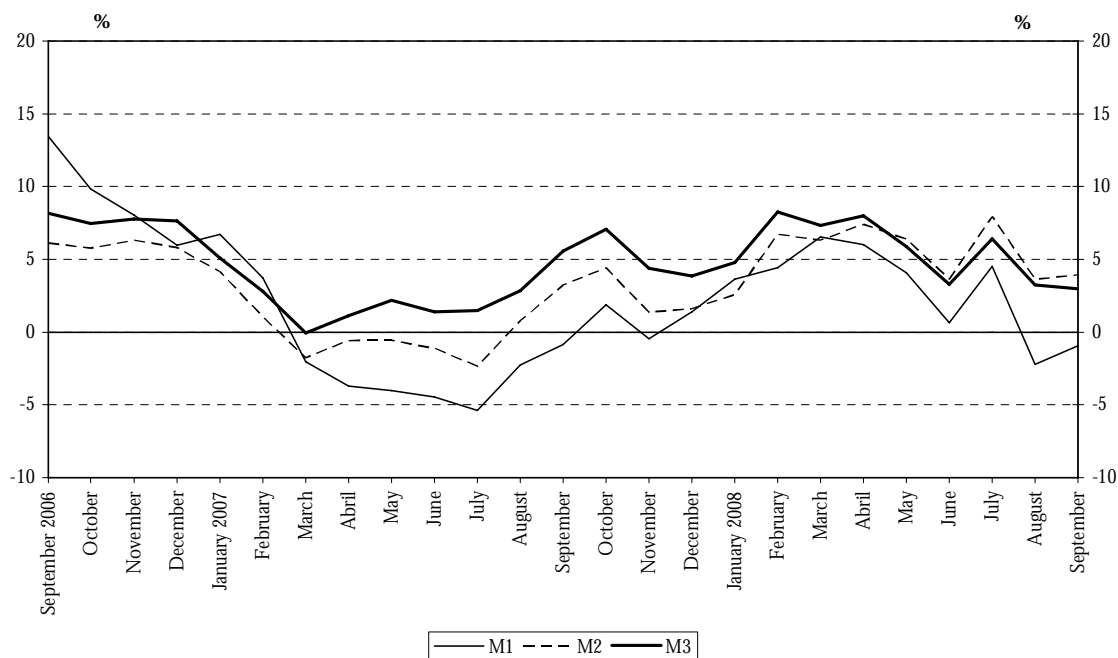
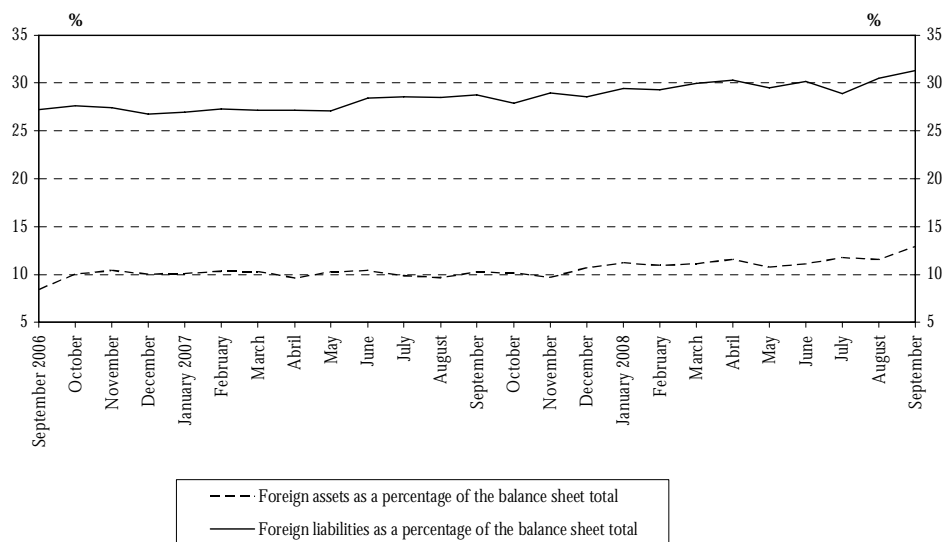


Chart 4 Total foreign exposure of credit institutions



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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