

28 November 2008

## PRESS RELEASE

### Aggregated balance sheet of credit institutions: October 2008

*According to seasonally adjusted transaction data, total net borrowing by both non-financial corporations and households fell in October 2008. There was a significant fall in net borrowing in the domestic currency by non-financial corporations. By contrast, net borrowing in foreign currency nearly doubled compared with September. Household net borrowing in the domestic currency also fell significantly, and net borrowing in foreign currency dropped back to the level of August. According to seasonally adjusted transaction data, there was an increase in NFCs' net forint deposits and a sharp fall in net foreign currency deposits in the month. Households' net foreign currency deposits fell significantly, associated with an increase in net forint deposits.*

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

**October 2008**

**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>7836,3</b>	<b>407,5</b>	<b>16,0</b>	<b>8259,8</b>	<b>Non-financial corporations (S.11)</b>	<b>4017,6</b>	<b>125,9</b>	<b>-133,5</b>	<b>4010,0</b>
HUF loans	3885,0	-3,0	-302,4	3579,6	HUF deposits	2581,0	0,0	174,8	2755,8
FX loans	3909,0	408,6	315,4	4633,0	FX deposits	1436,6	125,9	-308,3	1254,2
Securities other than shares	42,3	1,9	2,9	47,1					
<b>Other financial corporations (S.123+S.124+S.125)</b>	<b>2030,1</b>	<b>247,2</b>	<b>1,3</b>	<b>2278,5</b>	<b>Other financial corporations (S.123+S.124+S.125)</b>	<b>978,1</b>	<b>13,3</b>	<b>12,4</b>	<b>1003,8</b>
HUF loans	262,3	0,0	-2,1	260,3	HUF deposits	852,0	0,0	4,6	856,6
FX loans	1721,7	247,2	2,3	1971,2	FX deposits	126,2	13,3	7,8	147,2
Securities other than shares	46,1	0,0	1,0	47,0					
<b>Central government (S.131)</b>	<b>2789,9</b>	<b>-6,2</b>	<b>222,6</b>	<b>3006,4</b>	<b>Central government (S.131)</b>	<b>112,7</b>	<b>2,2</b>	<b>-7,5</b>	<b>107,4</b>
HUF loans	31,8	0,0	0,7	32,5	HUF deposits	87,2	0,0	-1,8	85,5
FX loans	25,3	1,6	-26,0	0,9	FX deposits	25,5	2,2	-5,7	21,9
Securities other than shares	2732,8	-7,8	247,9	2972,9					
<b>Local authorities (S.132)</b>	<b>667,6</b>	<b>65,5</b>	<b>1,3</b>	<b>734,5</b>	<b>Local authorities (S.132)</b>	<b>578,3</b>	<b>7,6</b>	<b>-75,8</b>	<b>510,1</b>
HUF loans	247,3	0,0	2,9	250,2	HUF deposits	502,5	0,0	-22,3	480,1
FX loans	80,8	11,3	1,5	93,7	FX deposits	75,8	7,6	-53,4	30,0
Securities other than shares	339,5	54,2	-3,1	390,6					
<b>Households (S.14)</b>	<b>6879,2</b>	<b>685,2</b>	<b>98,1</b>	<b>7662,5</b>	<b>Households (S.14)</b>	<b>6540,9</b>	<b>107,7</b>	<b>4,0</b>	<b>6652,6</b>
HUF loans	2611,0	-1,5	-15,7	2593,7	HUF deposits	5417,7	0,0	151,8	5569,5
FX loans	4268,3	686,7	113,9	5068,8	FX deposits	1123,2	107,7	-147,7	1083,1
					<b>Debt securities issued (held by residents)</b>	<b>1203,1</b>	<b>4,7</b>	<b>74,9</b>	<b>1282,8</b>
<b>Non-residents (S.2)</b>	<b>3952,2</b>	<b>396,9</b>	<b>-256,6</b>	<b>4092,5</b>	<b>Non-residents (S.2)</b>	<b>9593,1</b>	<b>888,2</b>	<b>536,8</b>	<b>11018,1</b>
<b>Remaining assets</b>	<b>6461,9</b>	<b>126,4</b>	<b>1002,6</b>	<b>7590,9</b>	<b>Remaining liabilities</b>	<b>7593,5</b>	<b>772,9</b>	<b>673,8</b>	<b>9040,2</b>
<b>Total assets</b>	<b>30617,3</b>	<b>1922,4</b>	<b>1085,3</b>	<b>33625,1</b>	<b>Total liabilities</b>	<b>30617,3</b>	<b>1922,4</b>	<b>1085,3</b>	<b>33625,1</b>

Seasonally adjusted total net borrowing by non-financial corporations and households fell in October compared with September.<sup>1</sup> According to seasonally adjusted data, net forint loans of non-financial corporations fell by HUF 320 billion. Net foreign currency borrowing,<sup>2</sup> at HUF 315.4 billion, was much higher than in the previous month. Net foreign currency borrowing by households amounted to HUF 109.1 billion, down on the outturn for the previous month. By contrast, there was a slight drop in net forint loans. Nevertheless, seasonally not adjusted amounts of outstanding borrowing by both sectors rose in the month. The effects of revaluations and other changes, at HUF 407.5 billion for non-financial corporations and at HUF 685.2 billion for households, accounted for a large share, due to the depreciation of the forint. Non-financial corporations' loans are split 44%–56% between the forint and foreign currencies. Foreign currency loans account for more than 66% of households' total outstanding borrowing.

According to seasonally adjusted data, non-financial corporations increased their net forint deposits in October. Net foreign currency deposits fell by HUF 385.3 billion. In the household sector, the shift away from foreign currency towards forint deposits continued in the review month. Net foreign currency deposits fell strongly, by HUF 147.7 billion. By contrast, net forint deposits rose by HUF 172.9 billion. That was HUF 128.3 billion higher than the outturn for September. According to seasonally not adjusted data, the combined stock of non-financial corporations' deposits barely changed in the month. Forint deposits rose by HUF 178.4 billion, while foreign currency deposits fell by HUF 182.4 billion. The decline in foreign currency deposits was caused by a HUF 308.3 billion fall due to transactions and a HUF 125.9 billion increase due to the depreciation of the exchange rate. Households' combined forint and foreign currency deposits rose by HUF 111.7 billion, resulting from a HUF 151.8 billion increase in forint deposits and a HUF 40.0 billion fall in foreign currency deposits. Compared with the previous month, transactions reduced the value of the sector's foreign currency deposits by HUF 147.7 billion, and revaluations increased it by HUF 107.7 billion.

In October, foreign liabilities of credit institutions rose to 32.77% of the balance sheet total.

**Detailed tables:** [Time series](#)

**Charts:** [Chart pack](#)

**Notes:** [Mythological notes](#)

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

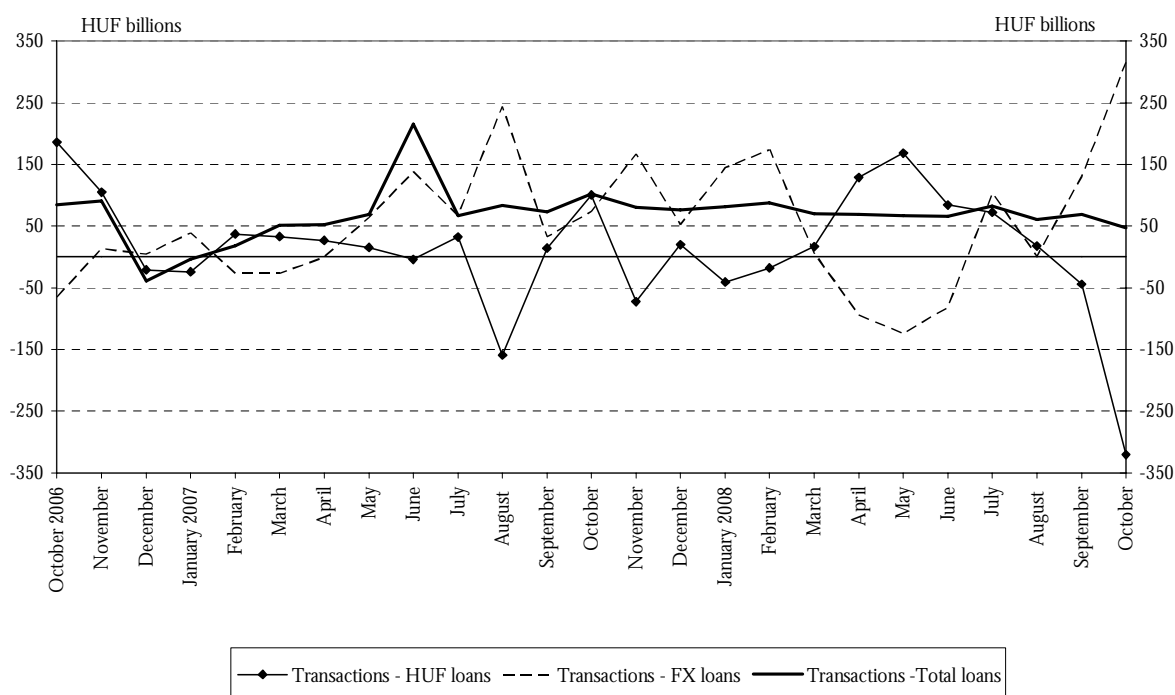
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<sup>1</sup> In assessing the data, the strong volatility of non-financial corporations' forint and foreign currency borrowing transactions should be taken into account.

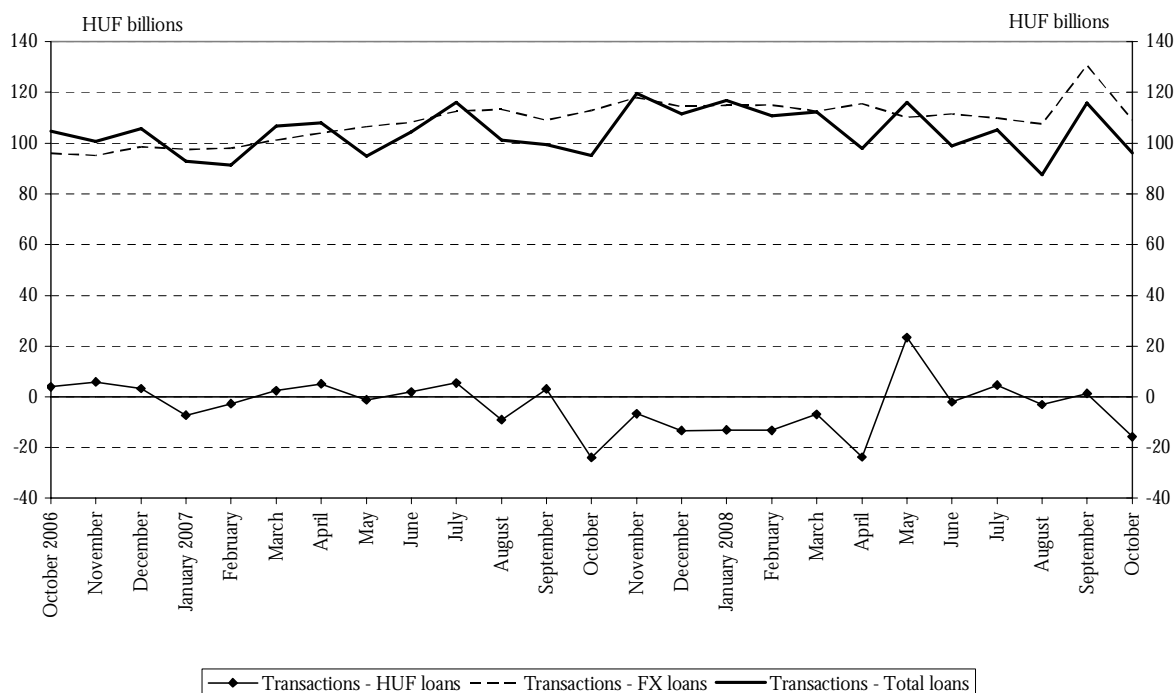
<sup>2</sup> The time series for non-financial corporations' foreign currency borrowing shows no seasonal patterns. Therefore, the press release contains the seasonally not adjusted time series instead of the seasonally adjusted data.

## CHARTS

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



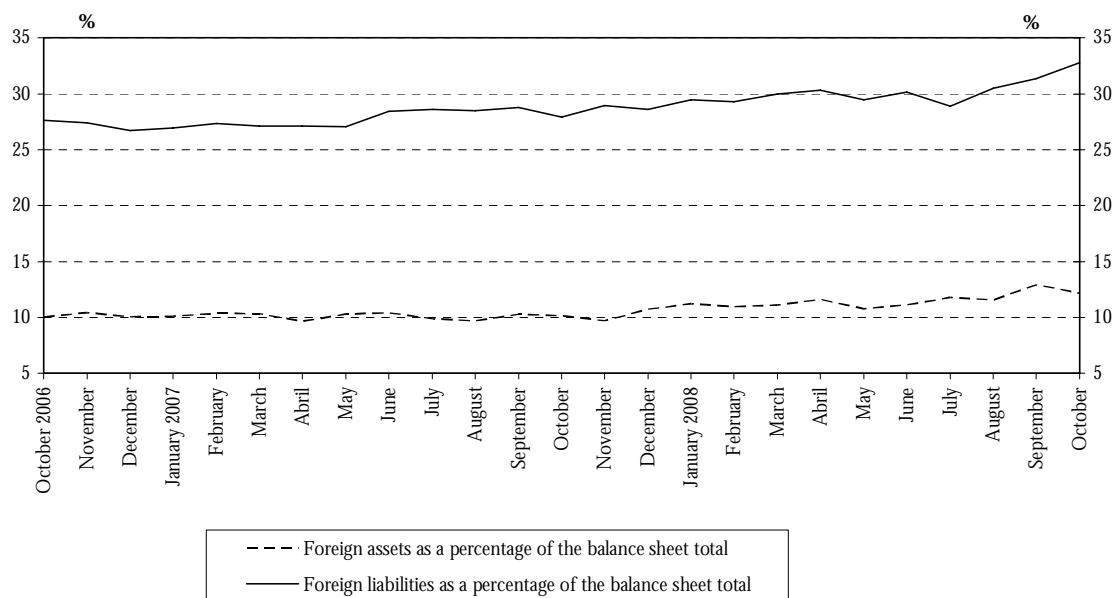
**Chart 2 Net borrowing by households – seasonally adjusted data**



**Chart 3 Real growth of the monetary aggregates<sup>3</sup>**



**Chart 4 Total foreign exposure of credit institutions**



<sup>3</sup> 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](http://www.mnb.hu).*

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