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PRESS RELEASE

Aggregated balance sheet of credit institutions: November 2008

According to seasonally adjusted transaction data, total net borrowing by non-financial corporations and households fell in November 2008. Forint-denominated transactions by non-financial corporations showed a net repayment of debt in the month. Net foreign currency borrowing rose, according to transaction data; however, its amount was 96% lower compared with the previous month. In respect of households' net forint-denominated transactions, borrowing and repayment were broadly offsetting. Net borrowing in foreign currency dropped back even more sharply than in the previous month. According to seasonally adjusted transaction data, net deposits of non-financial corporations and households rose. The increase in NFCs' net forint deposits was smaller than in the previous month. The sector's net foreign currency deposits increased sharply, even exceeding the level of May. Households' net forint deposits also rose, while net foreign currency deposits fell slightly compared with October.

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

| November 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) | 8259,8 | -112,7 | 11,5 | 8158,6 | Non-financial corporations (S.11) | 4010,0 | -10,9 | -9,3 | 3989,8 |
| HUF loans | 3579,6 | -10,0 | -1,9 | 3567,7 | HUF deposits | 2755,8 | -1,9 | 45,1 | 2799,0 |
| FX loans | 4633,1 | -101,6 | 14,0 | 4545,4 | FX deposits | 1254,2 | -9,0 | -54,4 | 1190,8 |
| Securities other than shares | 47,1 | -1,0 | -0,6 | 45,4 | | | | | |
| Other financial corporations (S.123+S.124+S.125) | 2278,5 | -99,7 | -22,0 | 2156,8 | Other financial corporations (S.123+S.124+S.125) | 1003,8 | 0,7 | -62,5 | 942,0 |
| HUF loans | 260,3 | 0,0 | -16,9 | 243,4 | HUF deposits | 856,6 | 1,9 | -37,3 | 821,2 |
| FX loans | 1971,2 | -99,7 | -5,2 | 1866,4 | FX deposits | 147,2 | -1,2 | -25,2 | 120,9 |
| Securities other than shares | 47,0 | 0,0 | 0,0 | 47,1 | | | | | |
| Central government (S.131) | 3006,4 | 6,3 | 333,6 | 3346,2 | Central government (S.131) | 107,4 | -0,2 | 10,0 | 117,2 |
| HUF loans | 32,5 | 0,0 | -4,4 | 28,1 | HUF deposits | 85,5 | 0,0 | 10,8 | 96,3 |
| FX loans | 0,9 | 0,0 | -0,1 | 0,9 | FX deposits | 21,9 | -0,2 | -0,8 | 20,9 |
| Securities other than shares | 2972,9 | 6,3 | 338,0 | 3317,2 | | | | | |
| Local authorities (S.132) | 734,5 | -27,6 | -10,9 | 696,0 | Local authorities (S.132) | 510,1 | -0,6 | -11,2 | 498,4 |
| HUF loans | 250,2 | 0,0 | -2,5 | 247,7 | HUF deposits | 480,1 | 0,0 | 1,7 | 481,9 |
| FX loans | 93,7 | -4,5 | 0,2 | 89,4 | FX deposits | 30,0 | -0,6 | -12,9 | 16,5 |
| Securities other than shares | 390,6 | -23,2 | -8,6 | 358,9 | | | | | |
| Households (S.14) | 7662,9 | -293,3 | 62,6 | 7432,3 | Households (S.14) | 6652,6 | -11,9 | 204,9 | 6845,7 |
| HUF loans | 2593,7 | -2,2 | -0,1 | 2591,4 | HUF deposits | 5569,5 | 0,0 | 215,7 | 5785,2 |
| FX loans | 5069,2 | -291,0 | 62,7 | 4840,9 | FX deposits | 1083,1 | -11,9 | -10,8 | 1060,5 |
| | | | | | Debt securities issued (held by residents) | 1282,8 | -0,2 | 238,3 | 1520,9 |
| Non-residents (S.2) | 4092,2 | -52,3 | 112,3 | 4152,2 | Non-residents (S.2) | 11017,7 | -212,6 | 151,2 | 10956,4 |
| Remaining assets | 7591,0 | -38,8 | -418,6 | 7133,6 | Remaining liabilities | 9040,8 | -382,4 | -453,0 | 8205,3 |
| Total assets | 33625,3 | -618,1 | 68,5 | 33075,7 | Total liabilities | 33625,3 | -618,1 | 68,5 | 33075,7 |

Seasonally adjusted total net borrowing by non-financial corporations and households fell in November compared with October.¹ According to seasonally adjusted data, net forint loans of non-financial corporations showed a net repayment of HUF 12.9 billion. Net foreign currency borrowing² amounted to HUF 13.9 billion. Net forint borrowing transactions by households were zero, and net foreign currency borrowing amounted to HUF 50.2 billion. Seasonally adjusted total outstanding borrowing by both non-financial corporations and households fell. The downward effects of revaluations and other changes on outstanding stocks, due to the depreciation of the forint, amounted to HUF 112.7 billion for non-financial corporations and HUF 293.3 billion for households. The increases in outstanding borrowing due to transactions were HUF 11.5 billion and HUF 62.6 billion, respectively, for NFCs and households. The composition of non-financial corporations' loans barely changed, with the forint accounting for 43.7% and foreign currencies for 56.3%. There was a slight shift within households' total outstanding borrowing: forint loans rose to 34.9% and foreign currency loans fell to 65.1% as a percentage of the total.

According to seasonally adjusted data, total net deposits of non-financial corporations and households rose in November. NFCs' net forint deposits rose by HUF 20.5 billion, less strongly than in the previous month. Net foreign currency deposits rose by HUF 86.3 billion, exceeding the level of May. The household sector made net forint deposits amounting to HUF 181.2 billion. Net foreign currency deposits fell slightly, by HUF 10.8 billion. Non-financial corporations' not seasonally adjusted deposits fell, as a result of a HUF 43.2 billion increase in forint deposits and a HUF 63.4 billion fall in foreign currency deposits. Foreign currency deposits fell by HUF 54.4 billion due to transactions and by HUF 9.0 billion due to the depreciation of the exchange rate. Households' total forint and foreign currency deposits rose by HUF 193.0 billion, resulting from a HUF 215.7 billion increase in forint deposits and a HUF 22.7 billion fall in foreign currency deposits. Transactions and revaluations, respectively, reduced the value of the sector's foreign currency deposits by HUF 10.8 billion by HUF 11.9 billion.

In November, foreign liabilities of credit institutions rose to 33.13% of the balance sheet total.

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 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

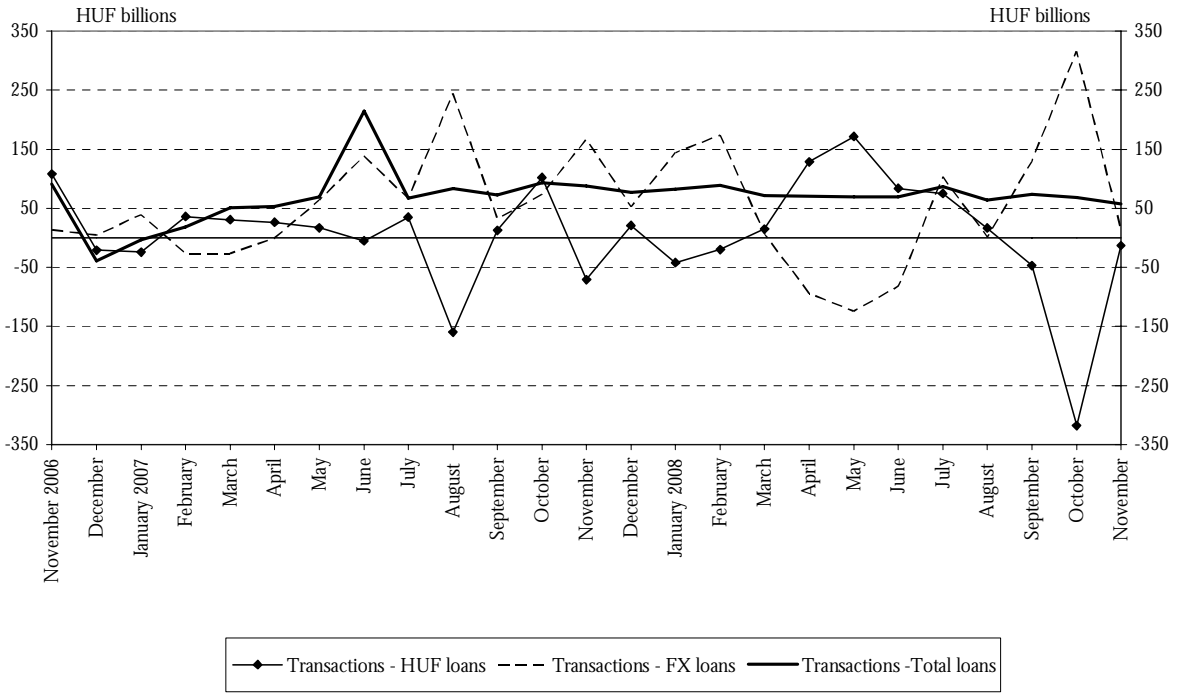


Chart 2 Net borrowing by households – seasonally adjusted data

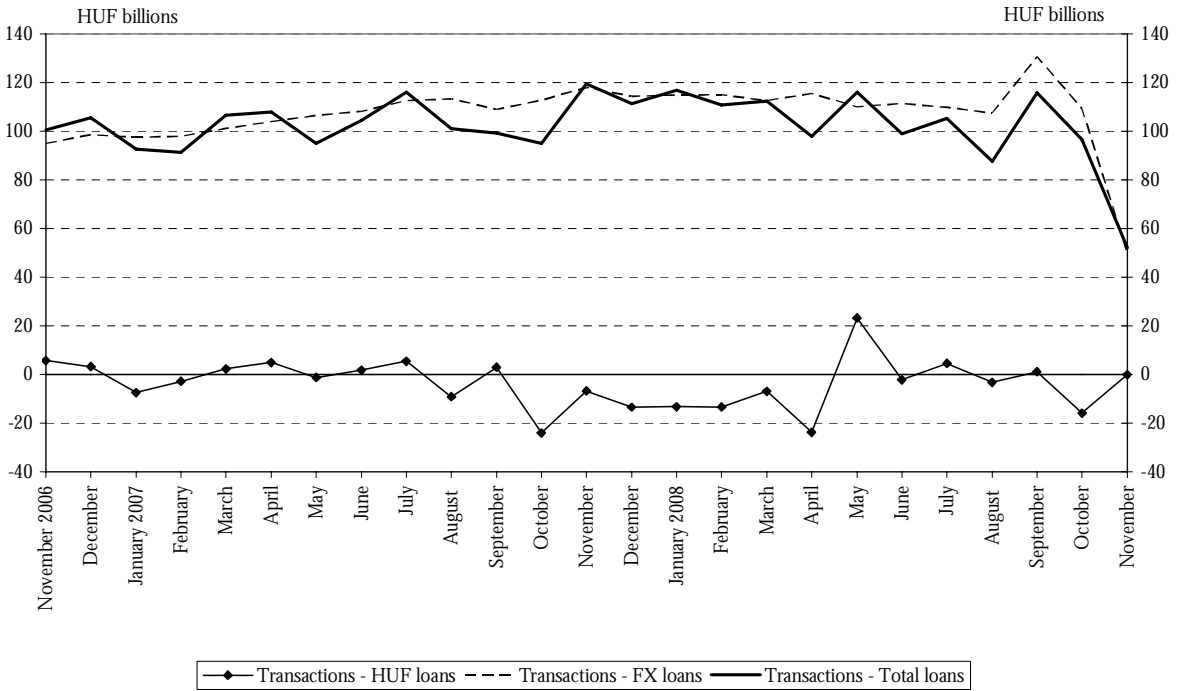
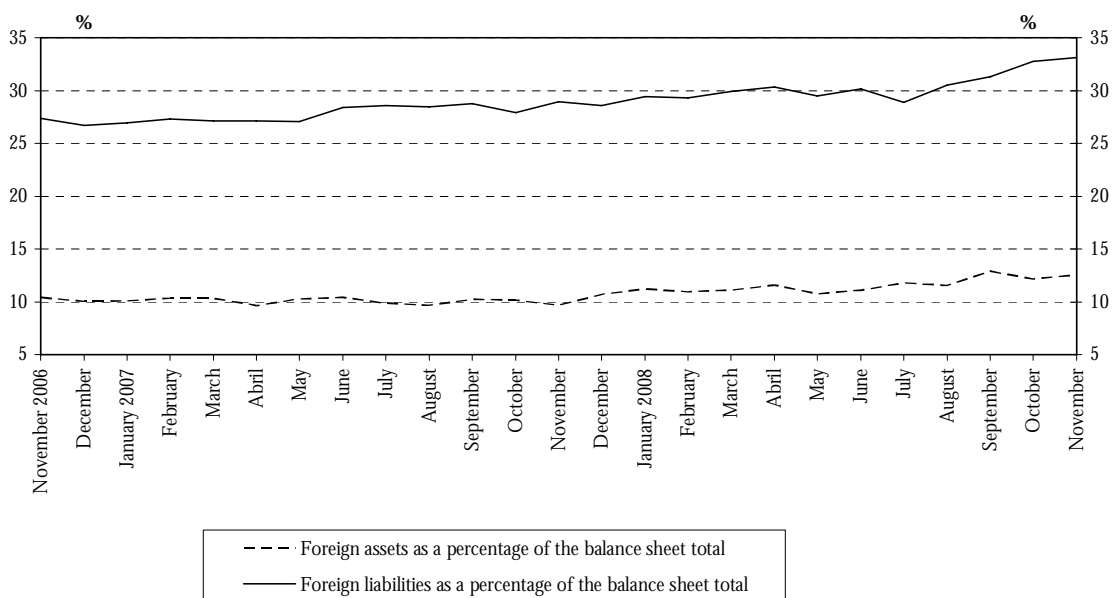


Chart 3 Real growth of the monetary aggregates³



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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