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PRESS RELEASE

**Preliminary statistical balance sheet of the MNB:
September 2008**

In September 2008, the average stock of external assets increased and the average stock of the central government's deposits fell. The average stock of credit institutions' overnight deposits rose.

1 Balance sheet of the MNB containing monthly average stocks

Table 1 Statistical balance sheet of the MNB – monthly average stocks

| | | Forint billions | | | | | |
|------------------|-------------|-----------------|--------------------|---|-------------|-------------|--------------------|
| Assets | May 2008 | Jun 2008 | Monthly changes | Liabilities | May 2008 | Jun 2008 | Monthly changes |
| External assets | 4256,5 | 4402,8 | 146,3 | Currency in circulation | 2165,1 | 2163,9 | -1,2 |
| Remaining assets | 249,1 | 255,8 | 6,7 | Current account balances of other MFIs | 739,7 | 752,8 | 13,1 |
| | | | | Overnight deposits of other MFIs | 32,4 | 48,8 | 16,3 |
| | | | | Deposits of central government | 453,3 | 419,3 | -33,9 |
| | | | | Two-week MNB bills | 959,4 | 1001,2 | 41,8 |
| | | | | Foreign currency debt securities issued | 72,9 | 79,1 | 6,2 |
| | | | | Remaining liabilities | 82,9 | 193,5 | 110,7 |
| Total assets | 4505,648 | 4658,6 | 152,9 | Total liabilities | 4505,6 | 4658,6 | 152,9 |

In September 2008, the depreciation of the forint against the euro caused a major change in the statistical balance sheet of the MNB, as a result of which the value of external assets rose significantly (Tables 1 and 2). This was offset by a rise in reserves within shareholders' equity under other liabilities on the liabilities side (Table 1).

Other items on the liabilities side of the central bank balance sheet were dominated by banks' cautious liquidity management and compliance with reserve requirements. Credit institutions increased their holdings of two-week bills as well as their overnight deposits (Chart 2).

The average of the banking sector's current account balances exceeded its reserve requirements only marginally (by less than HUF 1 billion). Consequently, the sector had a slight reserve surplus (Chart 1), which caused overnight interbank interest rates to approach the bottom¹ of the interest rate corridor (Chart 3). The slight drop in currency in circulation did not influence the behaviour of the banking sector.

¹ Central bank base rate minus 1 percentage point.

Chart 1 Reserve requirements of credit institutions

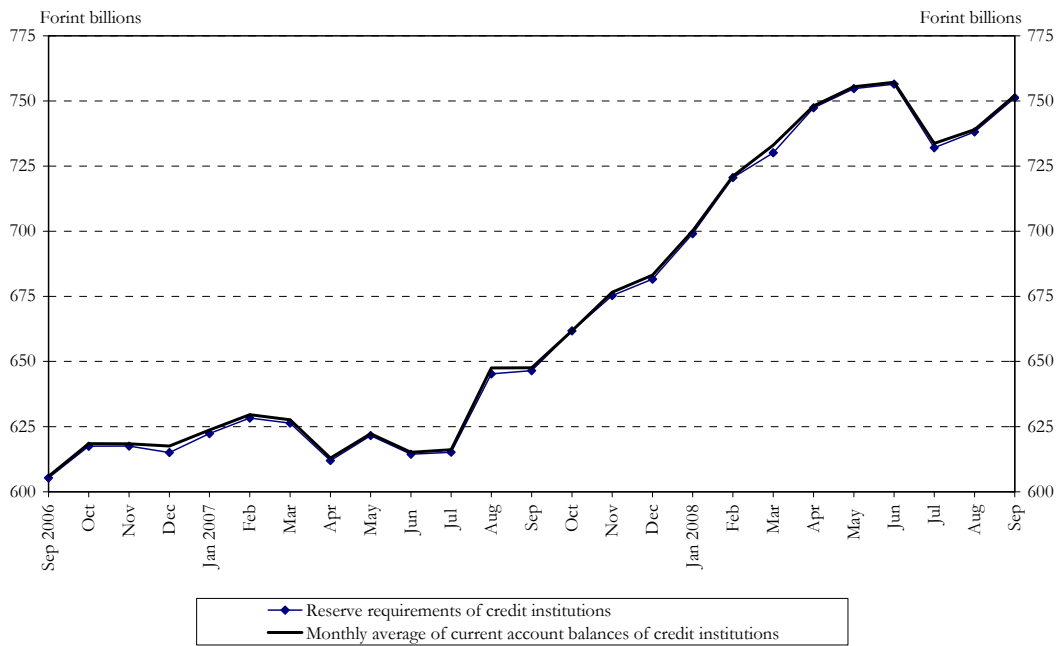


Chart 2 Monthly average overnight deposits of credit institutions

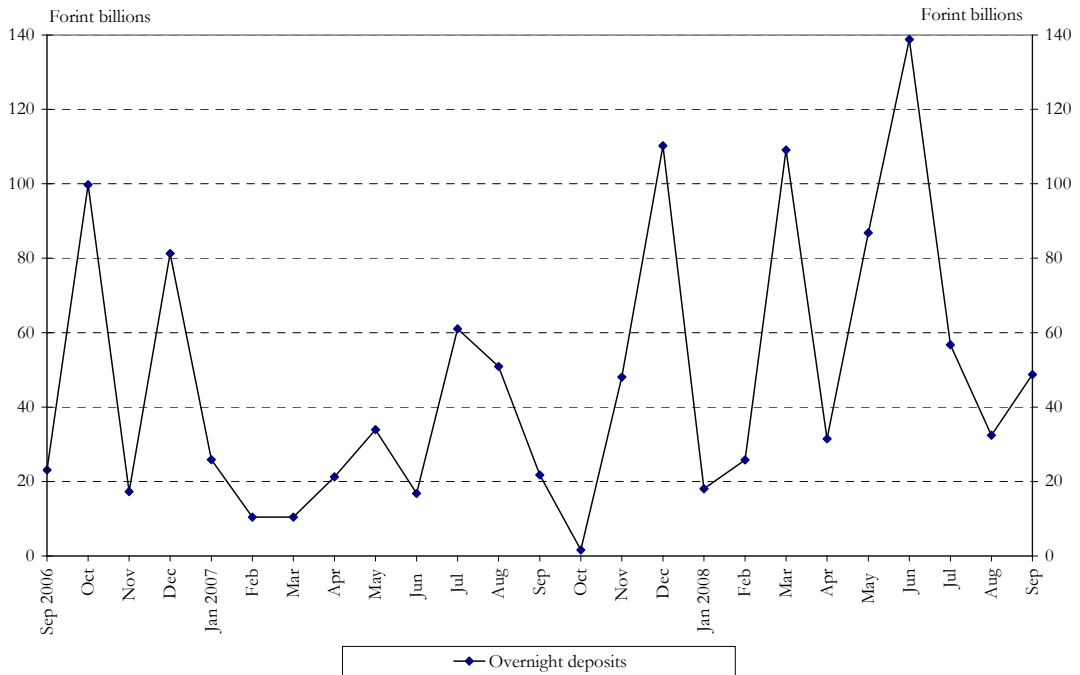
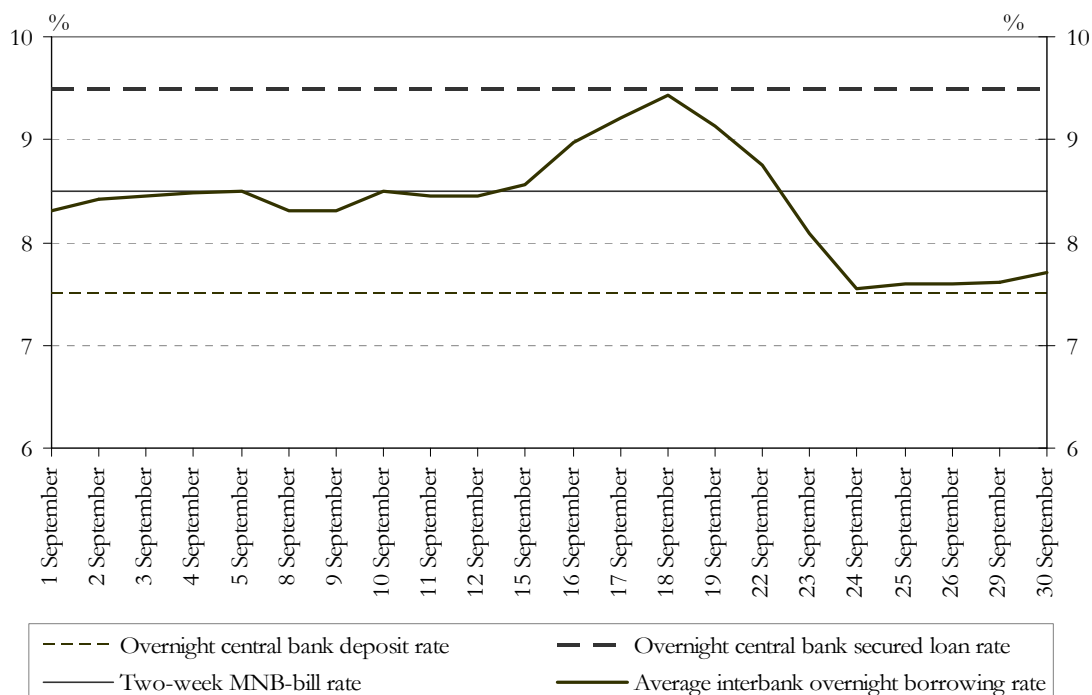


Chart 3 Central bank interest rates and average interbank overnight borrowing rates



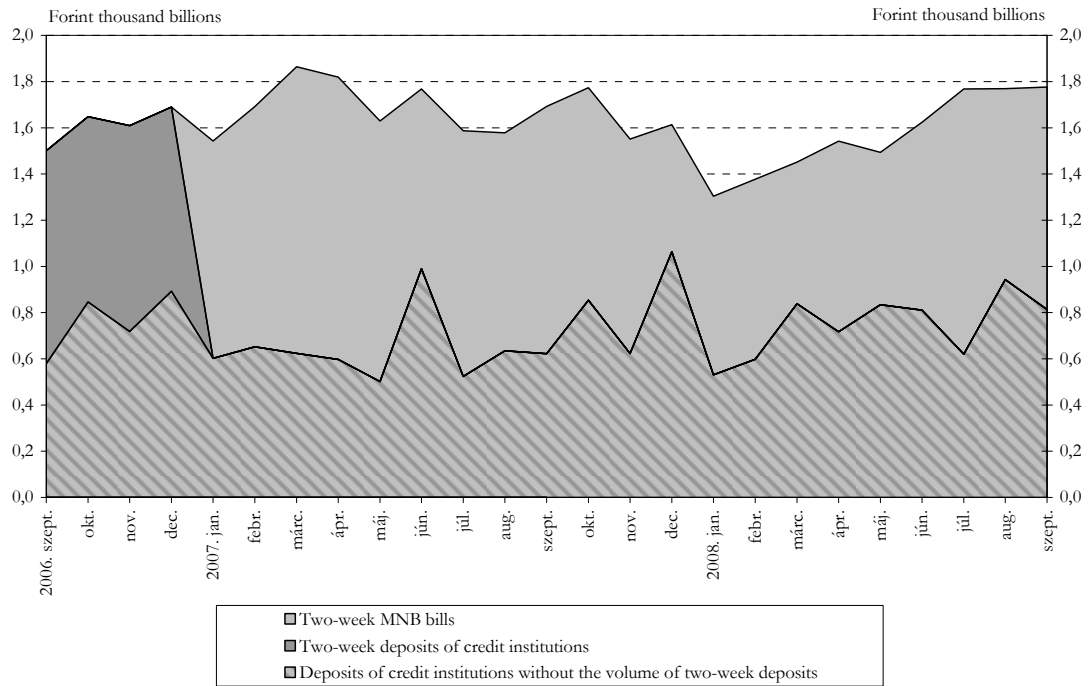
2 Transactions and revaluations in the balance of the MNB compiled from end-of-month data

Table 2 Statistical balance sheet of the MNB – end-of-month stocks – September 2008

Forint billions

| Assets | Opening stocks | Revaluations and other changes | Transactions | Closing stocks | Liabilities | Opening stocks | Revaluations and other changes | Transactions | Closing stocks |
|------------------|----------------|--------------------------------|--------------|----------------|--------------------------------|----------------|--------------------------------|--------------|----------------|
| External assets | 4318,5 | 101,3 | 19,1 | 4438,8 | Currency in circulation | 2159,5 | 0,0 | -10,5 | 2148,9 |
| Remaining assets | 255,7 | 1,5 | -4,1 | 253,0 | Deposits of other MFIs | 943,2 | 0,1 | -130,4 | 812,8 |
| | | | | | Deposits of central government | 405,9 | 1,4 | 20,4 | 427,7 |
| | | | | | Two-week MNB bills | 825,9 | 0,0 | 137,4 | 963,3 |
| | | | | | External liabilities | 370,7 | 15,1 | 7,5 | 393,3 |
| | | | | | Remaining liabilities | -131,0 | 86,2 | -9,5 | -54,3 |
| Total assets | 4574,1 | 102,8 | 14,9 | 4691,9 | Total liabilities | 4574,1 | 102,8 | 14,9 | 4691,9 |

Chart End-of-month stocks of credit institutions' deposits and two-week forint bills issued by the MNB



**MAGYAR NEMZETI BANK
STATISTICS**

Detailed tables: [Time series](#)

Charts: [Chart pack](#)

Notes: [Methodological notes](#)

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