

PRESS RELEASE

Preliminary statistical balance sheet of the MNB: May 2011

In May 2011, surplus liquidity of the banking sector increased further. The overnight interbank rate fluctuated near the lower bound of the interest rate corridor throughout the period. External assets and liabilities of the MNB rose as a result of the foreign currency bond issue by the Government Debt Management Agency.

1 Balance sheet of the MNB containing monthly average stocks

Table 1 Statistical balance sheet of the MNB - monthly average stocks¹

HUF billions							
Assets	Apr 2011	May 2011	Monthly changes	Liabilities	Apr 2011	May 2011	Monthly changes
External assets	9769,0	10072,4	303,4	Currency in circulation	2311,5	2312,4	0,8
Two-week loans of credit institutions	0,0	0,0	0,0	Current account balances of other MFIs	442,4	465,1	22,6
Six-month loans of credit institutions	0,0	0,0	0,0	Overnight deposits of other MFIs	163,2	201,8	38,7
Swap claims with credit institutions*	111,0	122,5	11,5	Other deposits of other MFIs	46,2	36,5	-9,8
Remaining assets	433,6	403,8	-29,8	Deposits of central government	1565,8	1747,6	181,7
				Two-week MNB bills held by residents	3906,5	3997,3	90,8
				Two-week MNB bills held by non residents	628,7	514,8	-113,8
				Foreign liabilities	818,9	863,6	44,7
				Swap liabilities with credit institutions*	111,0	122,5	11,5
				Remaining liabilities	319,4	337,2	17,8
Total assets	10313,6	10598,7	285,1	Total liabilities	10313,6	10598,7	285,1

* This item includes overnight EUR/HUF, three-month EUR/HUF and six-month EUR/HUF central bank FX-swaps on a gross basis. (See the Methodological notes.)

In May, forint liquidity of the banking sector rose relative to the previous month, as reflected in an increase in credit institutions' deposits. The monthly average value of credit institutions' outstanding HUF/EUR swaps with the central bank rose slightly (see Table 1 and Chart 8 of the chart-pack). Currency in circulation remained broadly unchanged in the month (see Chart 5 of the chart-pack). Non-resident holdings of two-week MNB bills fell, with the majority of this decline resulting in an increase in resident holdings.

The stocks of the MNB's external assets and liabilities both rose, reflecting the EUR 1 billion bond issue by the Debt Management Agency.

On 1 May 2011, the number of credit institutions choosing to meet their reserve requirements at a reserve ratio of higher than 2% increased, reaching two-thirds of the banking sector.² Higher reserve

¹ See the Methodological notes.

requirements for banks led to a significant increase in credit institutions' current account balances with the MNB relative to the previous month. The average of credit institutions' current account balances with the MNB exceeded reserve requirements by a greater than usual amount; however, excess reserves, at HUF 8 billion, continued to be insignificant compared with the sector's total reserve requirements of nearly HUF 460 billion (see Charts 1 and 2 of the chart-pack). The overnight interbank rate fluctuated near the lower bound of the interest rate corridor throughout the period (see Chart 12 of the chart-pack).

2 Balance sheet of the MNB compiled from end-of-month data

Table 2 Transactions and revaluations in the balance sheet of the MNB compiled from end-of-month data - May 2011

HUF billions									
Assets	Opening stocks	Revaluations and other changes	Transactions	Closing stocks	Liabilities	Opening stocks	Revaluations and other changes	Transactions	Closing stocks
External assets	9736,5	156,1	339,4	10232,0	Currency in circulation	2299,4	0,0	13,9	2313,4
Remaining assets	402,7	1,9	6,0	410,6	Deposits of other MFIs	670,9	0,8	-104,5	567,2
					Deposits of central government	1579,0	25,3	400,2	2004,5
					Two-week MNB bills held by residents	3970,2	0,0	-59,3	3910,8
					Two-week MNB bills held by non residents	539,4	0,0	75,6	615,0
					External liabilities *	790,5	-18,4	53,4	862,2
					Remaining liabilities	290,0	113,4	-33,9	369,5
Total assets	10139,2	157,9	345,4	10642,6	Total liabilities	10139,2	157,9	345,4	10642,6

* This item does not include the two-week MNB bills held by non residents

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The seasonally adjusted data are subject to more uncertainty than usual, due to fluctuations caused by the financial crisis.

MAGYAR NEMZETI BANK STATISTICS

One of the primary statutory duties of the Magyar Nemzeti Bank is to collect and publish statistical information. The statistical press release aims to help the reader understand the latest published data. The Quarterly Report on Inflation and the Report on Financial Stability, published periodically, contain the Bank's analyses of underlying economic processes and are accessible at www.mnb.hu.

Detailed tables: [Time series](#)

Notes: [Methodological notes](#)

Charts: [Chart pack](#)

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² Decree 13/2010. (IX.6.) of the Magyar Nemzeti Bank entered into force on 1 October 2010. The Decree allows credit institutions subject to reserve requirements to choose one of the reserve ratios specified in Article at most semi-annually. In the absence of such a choice, the lowest ratio will apply to required reserves, as specified in the Decree.