

PRESS RELEASE

**Preliminary statistical balance sheet of the MNB:
July 2011**

In July 2011, surplus liquidity of the banking sector narrowed slightly, as reflected in the declines in holdings of two-week MNB bills and in credit institutions' overnight deposits. The purchase by the Government of MOL shares led to a reduction in the average stocks of external assets and deposits of central government.

1 Balance sheet of the MNB containing monthly average stocks

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

HUF billions							
Assets	Jun 2011	Jul 2011	Monthly changes	Liabilities	Jun 2011	Jul 2011	Monthly changes
External assets	10306,6	9765,0	-541,6	Currency in circulation	2346,7	2378,2	31,4
Two-week loans of credit institutions	0,0	0,0	0,0	Current account balances of other MFIs	460,6	469,5	8,9
Six-month loans of credit institutions	0,0	0,0	0,0	Overnight deposits of other MFIs	221,6	128,1	-93,5
Swap claims with credit institutions*	173,6	264,0	90,4	Other deposits of other MFIs	28,2	27,3	-1,0
Remaining assets	413,7	420,1	6,5	Deposits of central government	1960,2	1431,6	-528,5
				Two-week MNB bills held by residents	3909,9	3963,7	53,8
				Two-week MNB bills held by non residents	545,3	409,1	-136,2
				Foreign liabilities	896,0	1010,3	114,4
				Swap liabilities with credit institutions*	173,6	264,0	90,4
				Remaining liabilities	351,8	367,4	15,7
Total assets	10893,9	10449,2	-444,6	Total liabilities	10893,9	10449,2	-444,6

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

In July, forint liquidity of the banking sector fell a little relative to the previous month. This was reflected mainly in the declines in credit institutions' holdings of two-week MNB bills and overnight deposits. The monthly average value of outstanding HUF/EUR swaps with the central bank increased (see Table 1 and Chart 8 of the chart-pack). Non-resident holdings of two-week MNB bills fell, partly resulting in an increase in resident holdings. Credit institutions' overnight deposits fell in the month.

The Hungarian Government purchased MOL shares in the amount of EUR 1.88 billion in early July. As a result of the transaction, the average stocks of external assets and deposits of central government fell significantly. Currency in circulation increased in July relative to the previous month (see Chart 5 of the chart-pack).

¹ See the Methodological notes.

The average of credit institutions' current account balances with the MNB remained broadly unchanged at the previous month's level. Balances slightly exceeded reserve requirements,² with excess reserves, at HUF 5.1 billion, continuing to be insignificant compared with the sector's total reserve requirements of HUF 464 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 - July 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	10008,2	216,4	-280,3	9944,4	Currency in circulation	2355,8	0,0	45,4	2401,2
Remaining assets	419,7	-4,4	9,3	424,6	Deposits of other MFIs	468,7	0,4	249,7	718,8
					Deposits of central government	1821,7	14,2	-245,6	1590,3
					Two-week MNB bills held by residents	4005,8	0,0	-249,0	3756,9
					Two-week MNB bills held by non residents	487,2	0,0	-73,2	414,0
					External liabilities *	970,7	29,4	-2,0	998,1
					Remaining liabilities	318,1	168,0	3,7	489,8
Total assets	10427,9	212,0	-270,9	10369,0	Total liabilities	10427,9	212,0	-270,9	10369,0

* 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](#)

Email: sajto@mnb.hu

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.