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PRESS RELEASE

Preliminary statistical balance sheet of the MNB: August 2011

In August 2011, surplus liquidity of the banking sector remained unchanged from the previous month, as the fall in holdings of two-week MNB bills was offset by an increase in credit institutions' overnight deposits. On the assets side, external assets rose significantly. On the liabilities side, deposits of central government and currency in circulation increased markedly.

1 Balance sheet of the MNB containing monthly average stocks

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

							HUF billions
Assets	Jul 2011	Aug 2011	Monthly changes	Liabilities	Jul 2011	Aug 2011	Monthly changes
External assets	9765,0	10275,2	510,1	Currency in circulation	2378,2	2462,7	84,5
Two-week loans of credit institutions	0,0	0,0	0,0	Current account balances of other MFIs	469,5	455,1	-14,5
Six-month loans of credit institutions	0,0	0,0	0,0	Overnight deposits of other MFIs	128,1	259,4	131,3
Swap claims with credit institutions*	264,0	337,4	73,4	Other deposits of other MFIs	27,3	37,6	10,4
Remaining assets	420,1	426,2	6,1	Deposits of central government	1431,6	1646,9	215,3
				Two-week MNB bills held by residents	3963,7	3653,3	-310,3
				Two-week MNB bills held by non residents	409,1	562,7	153,6
				Foreign liabilities	1010,3	1073,7	63,3
				Swap liabilities with credit institutions*	264,0	337,4	73,4
				Remaining liabilities	367,4	549,9	182,5
Total assets	10449,2	11038,8	589,6	Total liabilities	10449,2	11038,8	589,6

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

In August, forint liquidity of the banking sector remained unchanged from the previous month, as the decline in credit institutions' holdings of two-week MNB bills was offset by an increase in overnight deposits. Non-residents purchased some HUF 150 billion of MNB bills from residents in the month. Transfers from the EU accounted for a significant part of the increase in external assets and deposits of central government. In addition, the depreciation of the forint resulted in an increase in the domestic currency value of external assets. The monthly average value of outstanding HUF/EUR swaps with the central bank rose (see Table 1 and Chart 8 of the chart-pack) due to the heavy use of the MNB's three-month FX swap facility.

Currency in circulation rose as a result of disbursements of real returns to private pension fund members (see Table 5 of the chart-pack).

¹ See the Methodological notes.

The average of credit institutions' current account balances with the MNB fell. Balances slightly exceeded reserve requirements,² with excess reserves, at HUF 4.5 billion, continuing to be insignificant compared with the sector's total reserve requirements of HUF 450 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 – August 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	9944,4	72,9	351,0	10368,3	Currency in circulation	2401,2	0,0	60,0	2461,2
Remaining assets	424,6	6,8	3,5	434,9	Deposits of other MFIs	718,8	0,3	-157,7	561,4
					Deposits of central government	1590,3	-0,3	354,1	1944,1
					Two-week MNB bills held by residents	3679,9	0,0	-42,1	3637,9
					Two-week MNB bills held by non residents	490,9	0,0	29,7	520,7
					External liabilities *	998,1	-0,8	123,7	1120,9
					Remaining liabilities	489,8	80,5	-13,3	557,0
Total assets	10369,0	79,7	354,5	10803,1	Total liabilities	10369,0	79,7	354,5	10803,1

* 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.