

PRESS RELEASE

Preliminary statistical balance sheet of the MNB: October 2011

In October 2011, surplus liquidity of the banking sector rose slightly relative to the previous month, as reflected in an increase in credit institutions' overnight deposits. On the assets and liabilities sides, respectively, external assets, and deposits of central government and credit institutions' overnight deposits rose significantly.

1 Balance sheet of the MNB containing monthly average stocks

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

							HUF billions
Assets	Sep 2011	Oct 2011	Monthly changes	Liabilities	Sep 2011	Oct 2011	Monthly changes
External assets	10970,3	11588,4	618,0	Currency in circulation	2507,7	2590,8	83,1
Two-week loans of credit institutions	0,0	0,0	0,0	Current account balances of other MFIs	465,3	459,0	-6,3
Six-month loans of credit institutions	2,5	25,0	22,5	Overnight deposits of other MFIs	122,7	285,4	162,7
Swap claims on foreign currency with credit institutions ¹	368,1	240,2	-127,9	Other deposits of other MFIs	46,2	43,6	-2,6
Swap claims on HUF related to final payment euro selling tender with credit institutions ²	0,0	209,7	209,7	Deposits of central government	1901,7	2034,4	132,7
Remaining assets	450,4	464,9	14,5	Two-week MNB bills held by residents	3893,0	4023,1	130,1
				Two-week MNB bills held by non residents	363,8	220,4	-143,5
				Foreign liabilities	1159,7	1076,6	-83,1
				Swap liabilities to HUF with credit institutions ¹	368,1	240,2	-127,9
				Swap liabilities to foreign currency related to final payment euro selling tender with credit institutions ²	0,0	209,7	209,7
				Remaining liabilities	963,2	1345,0	381,8
Total assets	11791,4	12528,1	736,7	Total liabilities	11791,4	12528,1	736,7

¹ This item includes the overnight EUR/HUF and three-month EUR/HUF central bank FX-swaps with credit institutions on a gross basis. (See the Methodological notes.)

² This item includes the overnight HUF/EUR FX-swaps related to euro selling tender with credit institutions on a gross basis. (See the Methodological notes.)

In October, forint liquidity of the banking sector rose slightly from the previous month, as reflected in a significant increase in credit institutions' overnight deposits. This increase was partly the result of a decline in central bank three-month swaps. The monthly average of swaps related to final repayments amounted to HUF 210 billion (see Table 1 and Chart 8 of the chart-pack).²

¹ See the Methodological notes.

² For more details on the Bank's euro sale tenders, see the http://english.mnb.hu/Monetaris_politika/mnben_jegybanki_eszkozatar/mnben_eszkozatar_tenderek/fx-swap-tenders page on the Bank's website and the Methodological notes.

Non-resident holdings of two-week MNB bills continued to fall, as seen in previous months, with residents purchasing HUF 143 billion of the amount sold by non-residents. External assets and central government deposits increased significantly. Here, the depreciation of the forint contributed to the increase in the domestic currency value of external assets, as reflected in the change in other items on the liabilities side of the balance sheet. The monthly average stock of external assets rose in October relative to September, with the end-of-month stock falling. This decline was mainly accounted for by government debt management items and in small part by final repayments by households. The effects of these factors were partly offset by the depreciation of the exchange rate through the revaluation effect.

The MNB held its first euro sale tender related to final repayments of foreign currency loans on 3 October 2011, followed by three other tenders conducted during the same month. At these tenders, the Bank accepted bids in a total amount of EUR 890 million (HUF 262 billion) and provided EUR 235 million (HUF 69 billion) to credit institutions as households repaid their existing foreign currency debts. The latter amount reduced the value of assets vis-à-vis non-residents and narrowed the banking sector's liquidity.

Currency in circulation rose more strongly than usual, by more than HUF 80 billion (see Table 5 of the chart-pack). The average of credit institutions' current account balances with the MNB increased. Balances slightly exceeded reserve requirements,³ with excess reserves, at HUF 6.4 billion, continuing to be insignificant compared with the sector's total reserve requirements of HUF 452 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 month (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 – October 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	11522,8	275,9	-495,2	11303,6	Currency in circulation	2547,9	0,0	95,2	2643,0
Remaining assets	491,0	30,0	-33,4	487,7	Deposits of other MFIs	739,6	-0,2	-18,2	721,2
					Deposits of central government	2369,9	37,0	-675,1	1731,9
					Two-week MNB bills held by residents	3831,8	0,0	107,6	3939,4
					Two-week MNB bills held by non residents	243,2	0,0	47,5	290,7
					External liabilities *	1062,8	5,7	-53,5	1014,9
					Remaining liabilities	1218,7	263,4	-32,0	1450,1
Total assets	12013,9	305,9	-528,5	11791,2	Total liabilities	12013,9	305,9	-528,5	11791,2

* 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**

³ 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.

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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