

PRESS RELEASE

Preliminary statistical balance sheet of the MNB:
December 2011

In December 2011, forint liquidity of the banking sector fell relative to the previous month, due to increases in currency in circulation and central bank FX swaps. On the assets side, external assets fell significantly. On the liabilities side, deposits of central government declined sharply and credit institutions' overnight deposits rose markedly as holdings of MNB bills fell.

1 Balance sheet of the MNB containing monthly average stocks

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

HUF billions							
Assets	Nov 2011	Dec 2011	Monthly changes	Liabilities	Nov 2011	Dec 2011	Monthly changes
External assets	11732,9	11492,0	-241,0	Currency in circulation	2651,8	2766,1	114,4
Two-week loans of credit institutions	0,0	3,5	3,5	Current account balances of other MFIs	466,9	471,0	4,1
Six-month loans of credit institutions	25,0	25,0	0,0	Overnight deposits of other MFIs	215,1	635,5	420,4
Swap claims on foreign currency with credit institutions ¹	188,0	285,9	97,9	Other deposits of other MFIs	32,4	24,7	-7,7
Swap claims on HUF related to final payment euro selling tender with credit institutions ²	195,4	212,8	17,5	Deposits of central government	1647,5	1299,5	-348,0
Remaining assets	464,0	460,0	-4,1	Two-week MNB bills held by residents	4087,9	3509,1	-578,8
				Two-week MNB bills held by non residents	307,6	318,5	10,9
				Foreign liabilities	1087,6	1396,8	309,2
				Swap liabilities to HUF with credit institutions ¹	188,0	285,9	97,9
				Swap liabilities to foreign currency related to final payment euro selling tender with credit institutions ²	195,4	212,8	17,5
				Remaining liabilities	1725,3	1559,3	-166,0
Total assets	12605,3	12479,3	-126,1	Total liabilities	12605,3	12479,3	-126,1

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

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 December, forint liquidity of the banking sector fell relative to the previous month. This was reflected mainly in a significant decline in average holdings of two-week MNB bills, which was partly offset by a sharp rise in the average of credit institutions' overnight deposits.

¹ See the Methodological notes.

Credit institutions tend to divert part of their surplus liquidity from MNB bills into overnight central bank deposits in the final month of the year, exercising greater caution than usual. In December 2011, they shifted even a higher amount into overnight deposits than usual around this time of the year. Non-resident holdings of MNB bills barely changed, while those of residents fell significantly relative to the previous month. The decline in forint liquidity mainly reflected an increase in outstanding central bank swaps and an increase in currency in circulation usual during the period leading up to Christmas.

The monthly average of swaps related to early repayments amounted to HUF 213 billion² (see Table 1 and Chart 8 of the chart-pack).

An amount of EUR 2 billion due on the loan received from the EU Commission in 2008 was repaid on 29 November. This resulted in significant declines in the December averages of external assets and deposits of central government. However, the end-of-month closing stock of external assets increased. This was accounted for by a large amount of EU transfers in December, the stock of mark-to-market deposits of ÁKK resulting from FX swaps and the end-of-month increase in short-term deposits with the MNB.

The MNB has been conducting euro sale tenders related to the early repayment programme on a weekly basis since 3 October 2011. The amounts of bids and the amounts allocated under the programme as households continue to repay their existing foreign currency borrowings are contained in Table 2.

Table 2 Amounts of bids accepted and amounts allocated under euro sale tenders related to early repayments*

	Amount of accepted offers on the euro selling tender		Amount of actual foreign currency payments related to the realized final repayment	
	EUR millions	HUF billions	EUR millions	HUF billions
October 2011	890	262	235	69
November 2011	320	98	291	86
December 2011	390	119	336	101
Sum:	1600	479	862	256

* Monthly data show only the amounts of bids accepted and amounts allocated during the month.

For more details, 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_eszkoztar/mnben_eszkoztar_tenderek/fx-swap-tenders page on the Bank's website and the Methodological notes.

The average of credit institutions' current account balances with the MNB increased. Balances slightly exceeded reserve requirements,³ with excess reserves, at HUF 6.3 billion, continuing to be insignificant compared with the sector's total reserve requirements of HUF 464.7 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.

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

Table 3 Transactions and revaluations in the balance sheet of the MNB compiled from end-of-month data – December 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	11367,0	67,6	534,1	11968,7	Currency in circulation	2693,0	0,0	16,6	2709,6
Remaining assets	487,9	37,3	-17,0	508,1	Deposits of other MFIs	760,5	0,2	956,9	1317,6
					Deposits of central government	1534,8	1,7	-153,4	1383,1
					Two-week MNB bills held by residents	3550,4	0,0	-420,2	3130,3
					Two-week MNB bills held by non residents	348,4	0,0	-75,4	273,0
					External liabilities *	1199,6	17,2	629,4	1846,2
					Remaining liabilities	1768,1	85,8	-36,9	1817,1
Total assets	11854,9	104,9	517,1	12476,8	Total liabilities	11854,9	104,9	517,1	12476,8

* 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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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.