

PRESS RELEASE

**Preliminary statistical balance sheet of the MNB:
January 2012**

In January 2012, forint liquidity of the banking sector fell relative to the previous month, due mainly to an increase in central bank FX swaps and payments to central government. As a result, credit institutions' overnight deposits and holdings of MNB bills declined.

1 Balance sheet of the MNB containing monthly average stocks

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

HUF billions							
Assets	Dec 2011	Jan 2012	Monthly changes	Liabilities	Dec 2011	Jan 2012	Monthly changes
External assets	11492,0	11679,9	188,0	Currency in circulation	2766,1	2795,6	29,5
Two-week loans of credit institutions	3,5	1,3	-2,3	Current account balances of other MFIs	471,0	468,0	-3,0
Six-month loans of credit institutions	25,0	25,0	0,0	Overnight deposits of other MFIs	635,5	597,3	-38,2
Swap claims on foreign currency with credit institutions ¹	285,9	506,3	220,4	Other deposits of other MFIs	24,7	26,4	1,8
Swap claims on HUF related to final payment euro selling tender with credit institutions ²	212,8	262,0	49,2	Deposits of central government	1299,5	1439,4	139,9
Remaining assets	460,0	451,4	-8,6	Two-week MNB bills held by residents	3509,1	3244,0	-265,1
				Two-week MNB bills held by non residents	318,5	439,2	120,7
				Foreign liabilities	1396,8	1480,7	83,9
				Swap liabilities to HUF with credit institutions ¹	285,9	506,3	220,4
				Swap liabilities to foreign currency related to final payment euro selling tender with credit institutions ²	212,8	262,0	49,2
				Remaining liabilities	1559,3	1666,9	107,6
Total assets	12479,3	12925,9	446,7	Total liabilities	12479,3	12925,9	446,7

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 January, forint liquidity of the banking sector fell relative to the previous month. This was reflected in a significant decline in average holdings of two-week MNB bills and a slight drop in the average of credit institutions' overnight deposits.

Non-resident holdings of MNB bills increased, while resident holdings fell sharply relative to the previous month. The increase in outstanding central bank FX swaps and receipts of the central government sector accounted for the larger part of the decline in forint liquidity, with the increase in currency in circulation accounting for a smaller part. In order to ease tensions in the swap market

¹ See the Methodological notes.

at the end of the year, the MNB introduced a one-week swap facility on 28 December 2011. However, the new facility did not materially influence the difference between the December and January average stocks (see Table 1), although it contributed to the sharp increase in the year-end stock. The monthly average of swaps related to early repayments amounted to HUF 262 billion² (see Table 1 and Chart 8 of the chart-pack).

The significant increase in the average stock of external assets reflected the carry-over effect of EU transfers in December, while the decline in the end-of-month stock of external assets reflected payments to credit institutions of foreign currency allotted in euro sale tenders related to early repayments.

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
January 2012	744	232	707	216
Sum:	2344	711	1569	472

* Monthly data show only the amounts of bids accepted and amounts allocated during the month. For more details, see the Methodological notes.

The average of credit institutions' current account balances with the MNB slightly exceeded reserve requirements.³ Excess reserves, at HUF 6.5 billion, continued to be insignificant compared to the sector's total reserve requirements of HUF 461.5 billion (see Charts 1 and 2 of the chart-pack).

The overnight interbank rate (HUFONIA) fluctuated near the lower bound of the interest rate corridor during most of the month, dropping briefly below 6.00% in the middle of the period.

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.

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.

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 preliminary end-of-month data – January 2012

HUF billions									
Assets	Opening stocks	Revaluations and other changes	Transactions	Closing stocks	Liabilities	Opening stocks	Revaluations and other changes	Transactions	Closing stocks
External assets	11968,7	-686,9	-133,4	11148,4	Currency in circulation	2709,6	0,0	47,0	2756,6
Remaining assets	507,9	110,0	-143,7	474,1	Deposits of other MFIs	1317,6	-0,5	-602,7	714,4
					Deposits of central government	1383,1	-52,2	276,3	1607,2
					Two-week MNB bills held by residents	2989,5	0,0	265,9	3255,4
					Two-week MNB bills held by non residents	413,8	0,0	-33,5	380,3
					External liabilities *	1846,2	-82,0	-150,5	1613,6
					Remaining liabilities	1816,9	-442,3	-79,7	1294,9
Total assets	12476,6	-577,0	-277,1	11622,5	Total liabilities	12476,6	-577,0	-277,1	11622,5

* 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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