

PRESS RELEASE

Preliminary statistical balance sheet of the MNB:
February 2012

In February 2012, forint liquidity of the banking sector fell relative to the previous month. This was due in part to purchases of foreign currency from the central bank against forint related to euro sale tenders and an increase in central bank FX swaps. As a result, credit institutions' overnight deposits fell sharply.

1 Balance sheet of the MNB containing monthly average stocks

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

HUF billions							
Assets	Jan 2012	Feb 2012	Monthly changes	Liabilities	Jan 2012	Feb 2012	Monthly changes
External assets	11678,9	10493,0	-1185,9	Currency in circulation	2795,6	2729,3	-66,3
Two-week loans of credit institutions	1,3	0,0	-1,3	Current account balances of other MFIs	468,0	454,8	-13,3
Six-month loans of credit institutions	25,0	29,1	4,1	Overnight deposits of other MFIs	597,3	238,2	-359,1
Swap claims on foreign currency with credit institutions ¹	506,3	561,4	55,1	Other deposits of other MFIs	26,4	5,1	-21,3
Swap claims on HUF related to final payment euro selling tender with credit institutions ²	262,0	149,8	-112,2	Deposits of central government	1439,4	1216,0	-223,4
Remaining assets	451,2	458,9	7,7	Two-week MNB bills held by residents ³	3244,0	3268,2	24,2
				Two-week MNB bills held by non residents ³	439,2	477,6	38,5
				Foreign liabilities	1479,6	1419,0	-60,6
				Swap liabilities to HUF with credit institutions ¹	506,3	561,4	55,1
				Swap liabilities to foreign currency related to final payment euro selling tender with credit institutions ²	262,0	149,8	-112,2
				Remaining liabilities	1666,8	1172,6	-494,1
Total assets	12924,7	11692,3	-1232,4	Total liabilities	12924,7	11692,3	-1232,4

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 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.)

³ In case of the two-week MNB bills the resident/non-resident breakdown is defined by the momentarily actual holder. For more information see the Methodological notes.

In February, forint liquidity of the banking sector fell relative to the previous month, as reflected in a significant decline in average holdings of overnight deposits. This was only partly offset by a slight increase in total holdings of two-week MNB bills.

Resident and non-resident holdings of MNB bills both rose slightly relative to the previous month. The fall in forint liquidity mainly reflected the actual payment in February of foreign currencies

¹ See the Methodological notes.

allocated in euro sale tenders related to early repayments in the amount HUF 279 billion and in part an increase in FX swap claims of the central bank against credit institutions. The monthly average of currency in circulation fell relative to the previous month. The February average of swaps related to early repayments amounted to HUF 150 billion² (see Table 1 and Chart 8 of the chart-pack).

The decline in the average and end-of-month stocks of external assets reflected the repayment of an IMF loan of nearly HUF 180 billion drawn down in November 2008. Payments to credit institutions of foreign currency allotted in euro sale tenders related to early repayments were another factor contributing to the decline.

The MNB had conducted euro sale tenders related to the early repayment programme on a weekly basis since 3 October 2011. The programme ended on 27 February 2012. A total of HUF 810 billion was sold to credit institutions in euro sale tenders, with the actual payments and final settlements expected to be concluded on 8 March 2012.

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
February 2012	335	99	921	279
Sum:	2679	810	2489	752

* 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 5.5 billion, continued to be insignificant compared to the sector's total reserve requirements of HUF 449.2 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 February, except in the middle of the month when it rose close to the level of the central bank base rate (see Chart 12 of the chart-pack).

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 – February 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	11147,0	-216,3	-651,0	10279,6	Currency in circulation	2756,6	0,0	-67,9	2688,7
Remaining assets	474,8	70,2	-31,8	513,2	Deposits of other MFIs	714,4	0,0	-17,5	696,9
					Deposits of central government	1607,2	-10,3	-248,7	1348,2
					Two-week MNB bills held by residents ¹	3110,7	0,0	-60,7	3050,0
					Two-week MNB bills held by non residents ¹	525,1	0,0	-51,3	473,7
					External liabilities ²	1612,5	-31,6	-195,4	1385,4
					Remaining liabilities	1295,3	-104,2	-41,3	1149,8
Total assets	11621,8	-146,1	-682,9	10792,8	Total liabilities	11621,8	-146,1	-682,9	10792,8

¹ In case of the two-week MNB bills the resident/non-resident breakdown is defined by the momentarily actual holder. For more information see the Methodological notes.

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

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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