

PRESS RELEASE

Preliminary statistical balance sheet of the MNB:
March 2012

In March 2012, forint liquidity of the banking sector rose slightly relative to the previous month. This was due in large part to a decline in central bank FX swaps and to a decline in currency in circulation.

1 Balance sheet of the MNB containing monthly average stocks

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

HUF billions							
Assets	Feb 2012	Mar 2012	Monthly changes	Liabilities	Feb 2012	Mar 2012	Monthly changes
External assets	10493,0	10385,0	-108,0	Currency in circulation	2729,3	2686,4	-42,9
Two-week loans of credit institutions	0,0	0,0	0,0	Current account balances of other MFIs	454,8	429,8	-25,0
Six-month loans of credit institutions	29,1	29,8	0,6	Overnight deposits of other MFIs	238,2	204,3	-33,9
Swap claims on foreign currency with credit institutions ¹	561,4	372,1	-189,3	Other deposits of other MFIs	5,1	8,3	3,1
Swap claims on HUF related to final payment euro selling tender with credit institutions ²	149,8	15,1	-134,7	Deposits of central government			
Remaining assets	459,1	447,0	-12,0	Two-week MNB bills held by residents ³	1216,0	1263,3	47,3
				Two-week MNB bills held by non residents ³	3268,2	3325,6	57,4
				Foreign liabilities	477,8	526,9	49,1
				Swap liabilities to HUF with credit institutions ¹	1419,0	1242,2	-176,8
				Swap liabilities to foreign currency related to final payment euro selling tender with credit institutions ²	561,4	372,1	-189,3
				Remaining liabilities	149,8	15,1	-134,7
					1172,7	1175,0	2,3
Total assets	11692,4	11249,0	-443,5	Total liabilities	11692,4	11249,0	-443,5

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 identification of the owners' residence is based on the securities accounts' information.

For more information see the Methodological notes.

In March, forint liquidity of the banking sector rose slightly relative to February, as reflected in an increase in average holdings of two-week MNB bills. That was partly offset by a decline in credit institutions' overnight deposits.

Resident and non-resident holdings of MNB bills rose slightly relative to the previous month. The increase in forint liquidity was mainly accounted for by the decline in FX swap claims of the central

¹ See the Methodological notes.

bank against credit institutions; however, the fall in currency in circulation also contributed to the increase in liquidity. The March average of swaps related to early repayments of foreign currency debt amounted to HUF 15.1 billion² (see Table 1 and Chart 8 of the chart-pack).

The decline in the average stock of external assets reflected the repayment of an IMF loan in the previous month and payments to credit institutions of foreign currency allotted in euro sale tenders related to early repayments.

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, of which HUF 781 billion was paid out in relation to actual early repayments. The MNB converted into forint the HUF 29 billion equivalent of euros allotted to credit institutions in the tenders with a value date of 12 March. During March, a similar amount (HUF 29 billion) was paid out on the basis of early repayments effected at the end of February, which reduced credit institutions' forint liquidity.

The amounts of bids and the amounts allocated under the programme in relation to actual early repayments of foreign currency debt up to 12 March 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
March 2012	0	0	97	29
Sum:	2679	810	2586	781

* 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 5.7 billion, continued to be insignificant compared to the sector's total reserve requirements of HUF 424.1 billion (see Charts 1 and 2 of the chart-pack).

The overnight interbank rate fluctuated near the lower bound of the interest rate corridor during March (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 – March 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	10282,9	200,1	-37,7	10445,3	Currency in circulation	2688,7	0,0	-20,5	2668,3
Remaining assets	521,7	6,6	-61,9	466,4	Deposits of other MFIs	703,5	0,5	42,8	746,8
					Deposits of central government	1348,2	14,6	-32,0	1330,9
					Two-week MNB bills held by residents ¹	2877,1	0,0	242,0	3119,1
					Two-week MNB bills held by non residents ¹	646,6	0,0	-46,1	600,5
					External liabilities ²	1385,4	27,5	-252,3	1160,6
					Remaining liabilities	1155,0	164,1	-33,5	1285,7
Total assets	10804,6	206,7	-99,5	10911,8	Total liabilities	10804,6	206,7	-99,5	10911,8

¹ In case of the two-week MNB bills the identification of the owners' residence is based on the securities accounts' information. 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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