

PRESS RELEASE

Preliminary statistical balance sheet of the MNB:
May 2012

In May 2012, forint liquidity of the banking sector increased relative to the previous month as a result of the significant decline in swap claims on credit institutions. The increase in liquidity was partly offset by an increase in Treasury items. Higher liquidity was also reflected in increases in credit institutions' deposits and holdings of two-week MNB bills.

1 Balance sheet of the MNB containing monthly average stocks

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

HUF billions							
Assets	Apr 2012	May 2012	Monthly changes	Liabilities	Apr 2012	May 2012	Monthly changes
External assets	10518,1	10581,2	63,1	Currency in circulation	2680,5	2660,4	-20,1
Two-week loans of credit institutions	0,0	0,0	0,0	Current account balances of other MFIs	426,2	431,8	5,6
Six-month loans of credit institutions	8,0	8,0	0,0	Overnight deposits of other MFIs	104,6	163,1	58,4
Two-year loans of credit institutions	50,4	95,3	44,9	Other deposits of other MFIs	0,7	0,4	-0,3
Swap claims on foreign currency with credit institutions ¹	166,0	11,8	-154,2	Deposits of central government	1515,7	1636,7	120,9
Remaining assets	442,6	417,6	-24,9	Two-week MNB bills held by residents ²	3369,6	3444,6	75,1
				Two-week MNB bills held by non residents ²	617,1	639,7	22,6
				Foreign liabilities	1035,4	890,6	-144,8
				Swap liabilities to HUF with credit institutions ¹	166,0	11,8	-154,2
				Remaining liabilities	1269,4	1234,9	-34,5
Total assets	11185,1	11114,0	-71,1	Total liabilities	11185,1	11114,0	-71,1

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 notes.)

² 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.

Forint liquidity of the banking sector increased in May relative to April. The sharp decline in the MNB's swap claims on credit institutions was the main factor contributing to the increase in forint liquidity, as reflected in increases in credit institutions' deposits and holdings of two-week MNB bills. By contrast, the increase in central government deposits largely offset this effect.

Average holdings of two-week MNB bills increased overall: non-resident holdings rose slightly and resident holdings rose strongly. The average stock of currency in circulation fell relative to the previous month (see Table 1 and Chart 8 of the chart-pack). The average stock of external assets rose, while the average stock of external liabilities fell. Government deposits and foreign exchange

reserves (external assets) increased, despite the repayment on 11 May of nearly HUF 180 billion due on a loan taken from the IMF in November 2008. The effect of the loan repayment was offset by EU transfers and revenues from taxes and contributions.

The MNB allotted HUF 53 billion to credit institutions at its tender of two-year loans held in early May. This increased the outstanding stock of credit institutions' loans. Table 1 shows the monthly average stock of loans.

The average of credit institutions' current account balances with the MNB slightly exceeded reserve requirements.² Excess reserves, at HUF 5.4 billion, continued to be insignificant compared to the sector's total reserve requirements of HUF 426.5 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 May (see Chart 12 of the chart-pack).

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 – May 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	10346,3	633,2	-57,3	10922,2	Currency in circulation	2695,3	0,0	-31,7	2663,6
Remaining assets	526,8	-21,1	34,1	539,8	Deposits of other MFIs	600,2	0,0	-65,5	534,7
					Deposits of central government	1863,0	-46,0	38,0	1947,0
					Two-week MNB bills held by residents ¹	3162,8	0,0	126,2	3289,0
					Two-week MNB bills held by non residents ¹	618,7	0,0	40,2	658,9
					External liabilities ²	900,4	-71,1	-77,6	894,0
					Remaining liabilities	1032,6	495,0	-52,8	1474,8
Total assets	10873,1	612,1	-23,2	11462,0	Total liabilities	10873,1	612,1	-23,2	11462,0

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.

¹ See the Methodological notes.

² 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.

Detailed tables: [Time series](#)
Notes: [Methodological notes](#)
Charts: [Chart pack](#)
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