



## MAGYAR NEMZETI BANK

12 July 2012

### PRESS RELEASE

## Preliminary statistical balance sheet of the MNB: June 2012

*In June 2012, forint liquidity of the banking sector increased slightly. The MNB allocated a total of EUR 36 million for the conversion of foreign currency loans in arrears of more than 90 days to credit institutions participating in the programme.*

#### 1 Balance sheet of the MNB containing monthly average stocks

**Table 1 Statistical balance sheet of the MNB – monthly average stocks<sup>1</sup>**

HUF billions							
Assets	May 2012	Jun 2012	Monthly changes	Liabilities	May 2012	Jun 2012	Monthly changes
External assets	10581,2	10760,8	179,6	Currency in circulation	2660,4	2694,4	34,0
Two-week loans of credit institutions	0,0	0,0	0,0	Current account balances of other MFIs	431,8	428,2	-3,6
Six-month loans of credit institutions	8,0	8,0	0,0	Overnight deposits of other MFIs	163,1	274,7	111,6
Two-year loans of credit institutions	95,3	109,0	13,7	Other deposits of other MFIs	0,4	1,0	0,6
Swap claims on foreign currency with credit institutions <sup>1</sup>	11,8	3,5	-8,3	Deposits of central government	1636,7	1762,3	125,6
Remaining assets	417,5	424,5	7,0	Two-week MNB bills held by residents <sup>2</sup>	3444,6	3580,9	136,3
				Two-week MNB bills held by non residents <sup>2</sup>	639,7	437,1	-202,6
				Foreign liabilities	890,6	883,9	-6,7
				Swap liabilities to HUF with credit institutions <sup>1</sup>	11,8	3,5	-8,3
				Remaining liabilities	1234,8	1239,8	5,0
<b>Total assets</b>	<b>11113,9</b>	<b>11305,8</b>	<b>191,9</b>	<b>Total liabilities</b>	<b>11113,9</b>	<b>11305,8</b>	<b>191,9</b>

<sup>1</sup> 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.)

<sup>2</sup> 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 rose slightly in June. This was mainly reflected in an increase in the average of credit institutions' deposits, in particular overnight deposits, which was partly offset by a decline in holdings of MNB bills. The MNB's swap claims on credit institutions fell to close to zero, with no new contracts made under the three-month facility during the month.

Average holdings of two-week MNB bills fell: non-resident holdings declined sharply and resident holdings rose by a slightly lower amount than the decline in non-resident holdings. The average stock of currency in circulation increased relative to the previous month (see Table 1 and Chart 8 of the chart-pack). The average stock of external assets rose in June, while that of external liabilities

<sup>1</sup> See the Methodological notes.

fell slightly. Government deposits and foreign exchange reserves (external assets) increased, despite the repayment on 29 June of nearly HUF 83 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.

No allocation at the MNB's tender of two-year loans held in early June. Table 1 shows the monthly average stock of loans.

Between 15 May and 15 June, the Bank conducted euro sale operations to allocate foreign currency to credit institutions required for the statutory conversion of non-performing foreign currency loans into forint. The aim of the programme was to reduce market demand for foreign currency and prevent potential adverse effects on the macroeconomy. According to preliminary data reported to the MNB, foreign currency loans on which repayment was more than 90 days overdue amounted to a total of EUR 438 million. Of this amount, debtors indicated to their credit institutions that they would use the opportunity to convert EUR 132 million of foreign currency-denominated housing loans and general purpose loans, under the statutory requirements. The limit offered to credit institutions for purchases of foreign currency from the MNB under the conversion programme was EUR 132 million, equal to the conversion requirement reported to the MNB. The total amount purchased by the Bank's counterparties during the conversion programme was EUR 36 million.

The average of credit institutions' current account balances with the MNB slightly exceeded reserve requirements.<sup>2</sup> Excess reserves, at HUF 5.1 billion, continued to be insignificant compared to the sector's total reserve requirements of HUF 423.1 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 June (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 – June 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	10922,2	-527,7	79,3	10473,9	Currency in circulation	2663,6	0,0	22,6	2686,2
Remaining assets	539,8	27,9	-22,4	545,3	Deposits of other MFIs	534,7	0,0	242,7	777,3
					Deposits of central government	1947,0	-43,0	-239,0	1665,0
					Two-week MNB bills held by residents <sup>1</sup>	3276,7	0,0	464,1	3740,8
					Two-week MNB bills held by non residents <sup>1</sup>	671,2	0,0	-463,8	207,5
					External liabilities <sup>2</sup>	894,0	-47,3	87,1	933,8
					Remaining liabilities	1474,8	-409,4	-56,7	1008,7
<b>Total assets</b>	<b>11462,0</b>	<b>-499,7</b>	<b>56,9</b>	<b>11019,2</b>	<b>Total liabilities</b>	<b>11462,0</b>	<b>-499,7</b>	<b>56,9</b>	<b>11019,2</b>

<sup>1</sup> 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.

<sup>2</sup> This item does not include the two-week MNB bills held by non residents

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<sup>2</sup> 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.

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](http://www.mnb.hu).*

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