



## MAGYAR NEMZETI BANK

13 August 2012

### PRESS RELEASE

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

*In July 2012, forint liquidity of the banking sector increased slightly as a result of a fall in deposits of central government. Market participants used a higher amount of their surplus liquidity than previously to purchase MNB bills. The average stock of overnight deposits fell.*

#### 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	Jun 2012	Jul 2012	Monthly changes	Liabilities	Jun 2012	Jul 2012	Monthly changes
External assets	10760,8	10470,1	-290,7	Currency in circulation	2694,4	2670,2	-24,1
Two-week loans of credit institutions	0,0	0,0	0,0	Current account balances of other MFIs	428,2	430,7	2,5
Six-month loans of credit institutions	8,0	8,0	0,0	Overnight deposits of other MFIs	274,7	162,6	-112,1
Two-year loans of credit institutions	109,0	120,7	11,7	Other deposits of other MFIs	1,0	0,1	-0,9
Swap claims on foreign currency with credit institutions <sup>1</sup>	9,5	2,8	-6,7	Deposits of central government	1762,3	1708,1	-54,2
Remaining assets	424,5	413,9	-10,6	Two-week MNB bills held by residents <sup>2</sup>	3580,9	3606,5	25,6
				Two-week MNB bills held by non residents <sup>2</sup>	437,1	589,0	151,9
				Foreign liabilities	883,9	871,7	-12,2
				Swap liabilities to HUF with credit institutions <sup>1</sup>	9,5	2,8	-6,7
				Remaining liabilities	1239,8	973,9	-265,9
<b>Total assets</b>	<b>11311,7</b>	<b>11015,6</b>	<b>-296,1</b>	<b>Total liabilities</b>	<b>11311,7</b>	<b>11015,6</b>	<b>-296,1</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 July as a result of a fall in central government deposits. The decline in deposits reflected the maturity of Japanese yen-denominated bonds issued by the Government Debt Management Agency in 2005. In contrast with the decline in average holdings, central government deposits rose significantly towards the end of July (see Table 2) as an effect of tax receipts (VAT, contributions and special taxes) in the last third of the month. The average stock of currency in circulation fell relative to the previous month (see Table 1 and Chart 8 of the chart-pack).

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

Market participants placed a greater portion of their surplus liquidity into MNB bills than in previous months. This resulted in an increase in average holdings of MNB bills: holdings by non-residents increased significantly and those by residents rose slightly. For precautionary reasons, credit institutions kept their deposits at high levels in the final third of July, which partly explained the decline in the average stock of overnight deposits.

The average stock of external assets rose in July, reflecting the appreciation of the forint; however, the average stock of external liabilities remained unchanged.

The MNB allocated HUF 13 billion to counterparties at its tender of two-year loans held in early July. As a result, the average stock of credit institutions' loans increased further. Table 1 shows the monthly average stock of loans.

The average of credit institutions' current account balances with the MNB slightly exceeded reserve requirements.<sup>2</sup> Excess reserves, at HUF 4.9 billion, continued to be insignificant compared to the sector's total reserve requirements of HUF 425.8 billion (see Charts 1 and 2 of the chart-pack). The overnight interbank rate fluctuated near the lower bound of the interest rate corridor at the beginning and end of July. In the second half of the month, it rose to close to the upper bound of the interest rate corridor (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 – July 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	10473,9	-253,8	36,6	10256,7	Currency in circulation	2686,2	0,0	-44,2	2642,0
Remaining assets	545,4	-9,8	-15,3	520,2	Deposits of other MFIs	777,3	0,0	-90,3	687,0
					Deposits of central government	1665,0	-29,4	423,1	2058,8
					Two-week MNB bills held by residents <sup>1</sup>	3725,9	0,0	-380,6	3345,3
					Two-week MNB bills held by non residents <sup>1</sup>	222,4	0,0	230,8	453,2
					External liabilities <sup>2</sup>	933,8	-8,7	-90,3	834,8
					Remaining liabilities	1008,7	-225,6	-27,3	755,7
<b>Total assets</b>	<b>11019,2</b>	<b>-263,6</b>	<b>21,3</b>	<b>10776,9</b>	<b>Total liabilities</b>	<b>11019,2</b>	<b>-263,6</b>	<b>21,3</b>	<b>10776,9</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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The seasonally adjusted data are subject to more uncertainty than usual, due to fluctuations caused by the financial crisis.

## MAGYAR NEMZETI BANK STATISTICS

<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.

*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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