



## MAGYAR NEMZETI BANK

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### PRESS RELEASE

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

*In September 2012, forint liquidity of the domestic banking sector increased. This reflected increases in average holdings of MNB bills and the average stock of credit institutions' overnight deposits. By contrast, non-residents reduced their holdings of MNB bills by the end of the quarter. The repayment of loans taken by the Government and the MNB from the IMF continued in the month.*

#### 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	Aug 2012	Sep 2012	Monthly changes	Liabilities	Aug 2012	Sep 2012	Monthly changes
External assets	10143,9	10209,3	65,4	Currency in circulation	2617,8	2595,4	-22,4
Two-week loans of credit institutions	0,0	0,0	0,0	Current account balances of other MFIs	437,9	422,1	-15,8
Six-month loans of credit institutions	3,6	0,0	-3,6	Overnight deposits of other MFIs	105,6	163,1	57,5
Two-year loans of credit institutions	122,0	122,0	0,0	Other deposits of other MFIs	0,7	0,3	-0,3
Swap claims on foreign currency with credit institutions <sup>1</sup>	0,0	1,1	1,1	Deposits of central government	1726,9	1672,0	-54,9
Remaining assets	400,8	418,9	18,0	Two-week MNB bills held by residents <sup>2</sup>	3658,7	3798,2	139,5
				Two-week MNB bills held by non residents <sup>2</sup>	564,8	439,1	-125,7
				Foreign liabilities	842,3	848,0	5,7
				Swap liabilities to HUF with credit institutions <sup>1</sup>	0,0	1,1	1,1
				Remaining liabilities	715,7	811,9	96,2
<b>Total assets</b>	<b>10670,4</b>	<b>10751,3</b>	<b>80,9</b>	<b>Total liabilities</b>	<b>10670,4</b>	<b>10751,3</b>	<b>80,9</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 increased slightly in September. Average holdings of two-week MNB bills edged up: resident holdings increased and non-resident holdings fell. Another factor contributing to the increase liquidity was the rise in September in credit institutions' overnight deposits. 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.

Although the average stocks do not reflect it, holdings of MNB bills fell sharply by the end of September, and the stock of credit institutions' deposits rose significantly relative to the end of August (see Table 2). Based on the experiences of previous quarters, this can be explained by the fact that non-residents try to minimise holdings of emerging market assets in their balance sheets at the end of the year, and therefore they reduce temporarily these types of exposures. Forint liquidity arising from sales of MNB bills by non-residents arrived at credit institutions who placed it into overnight central bank deposits, causing the stock of such deposits to be unusually high relative to the end of the month.

Despite the repayment of HUF 81.4 billion by the Government under a loan received from the IMF in November 2008 and the first instalment of nearly HUF 50 billion under a loan taken by the MNB from the IMF, the average stock of external assets rose slightly in the month, reflecting the appreciation of the forint. The effect of these transactions is reflected in the end-of-month stock of external assets (see Table 2).

No allocation was made to counterparties by the MNB at its tender of two-year loans held in early September. 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 5.8 billion, continued to be insignificant compared to the sector's total reserve requirements of HUF 416 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 the month (see Chart 12 of the chart-pack).

## 2 Balance sheet of the MNB compiled from end-of-month data

**Table 2 Transactions and revaluations in the balance sheet of the MNB compiled from preliminary end-of-month data - September 2012**

HUF billions									
Assets	Opening stocks	Revaluations and other changes	Trans-actions	Closing stocks	Liabilities	Opening stocks	Revaluations and other changes	Trans-actions	Closing stocks
External assets	10224,3	-64,0	-130,6	10029,8	Currency in circulation	2589,7	0,0	-7,9	2581,8
Remaining assets	540,5	35,3	-31,4	544,4	Deposits of other MFIs	479,4	0,0	328,8	808,2
					Deposits of central government	1647,0	-4,7	168,8	1811,1
					Two-week MNB bills held by residents <sup>1</sup>	3733,1	0,0	-151,9	3581,2
					Two-week MNB bills held by non residents <sup>1</sup>	639,2	0,0	-448,7	190,5
					External liabilities <sup>2</sup>	846,7	-14,2	-33,0	799,4
					Remaining liabilities	829,8	-9,7	-18,1	802,0
<b>Total assets</b>	<b>10764,8</b>	<b>-28,7</b>	<b>-162,0</b>	<b>10574,2</b>	<b>Total liabilities</b>	<b>10764,8</b>	<b>-28,7</b>	<b>-162,0</b>	<b>10574,2</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

<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.

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

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