



MAGYAR NEMZETI BANK

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PRESS RELEASE

Preliminary statistical balance sheet of the MNB: December 2012

In December 2012, forint liquidity of the domestic banking sector fell slightly. The MNB announced the establishment of a new EUR/HUF FX swap tender facility in the final month of the year. As seen in previous months, the repayment by the Government and the MNB of the loans received from the International Monetary Fund continued in December.

1 Balance sheet of the MNB containing monthly average stocks

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

Assets	Nov 2012	Dec 2012	Monthly changes	Liabilities	Nov 2012	Dec 2012	HUF billions
							Monthly changes
External assets	9838,3	9964,3	126,0	Currency in circulation	2614,9	2739,6	124,7
Two-week loans of credit institutions	14,6	1,9	-12,7	Current account balances of other MFIs	476,8	477,3	0,6
Six-month loans of credit institutions	0,0	0,0	0,0	Overnight deposits of other MFIs	95,3	195,3	99,9
Two-year loans of credit institutions	122,0	122,0	0,0	Other deposits of other MFIs	1,6	9,9	8,3
Swap claims on foreign currency with credit institutions ¹	0,0	55,9	55,9	Deposits of central government	1509,4	1467,4	-42,0
Remaining assets	370,3	409,7	39,4	Two-week MNB bills held by residents ²	3683,8	3670,4	-13,4
				Two-week MNB bills held by non residents ²	426,9	306,4	-120,5
				Foreign liabilities	802,9	851,3	48,5
				Swap liabilities to HUF with credit institutions ¹	0,0	55,9	55,9
				Remaining liabilities	733,7	780,4	46,7
Total assets	10345,3	10553,8	208,6	Total liabilities	10345,3	10553,8	208,6

¹ This item includes the overnight, one-week, two-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 fell slightly in December. This was mainly reflected in a decline in average holdings of two-week MNB bills and a slight increase in the average stock of credit institutions' overnight deposits. Holdings of MNB bills by non-residents fell sharply, while those by residents edged down a little. The average stock of currency in circulation rose significantly relative to the previous month, as usual around this time of the year (see Table 1 and Chart 8 of the chart-pack).

¹ See the Methodological notes.

The average stock of external assets rose overall in the month, reflecting contrasting developments. Exchange rate effects and transfers received from the European Union were behind the increase. By contrast, the repayments of HUF 53 billion on 21 December and HUF 87 billion on 28 December to the IMF had opposing effects. The first item was related to the drawdown under a line of credit by the MNB, the other being related to a drawdown by central government. As a result of the latter, the average and end-of-month stocks of deposits of central government both fell.

No allocation was made to counterparties by the MNB at its tender of two-year loans held in early December. Table 1 shows the monthly average stock of loans.

In order to offset the deterioration in conditions in the Hungarian swap market usual at the end of the year, the MNB announced the establishment of a new EUR/HUF FX swap tender facility for domestic credit institutions in December. The first tender was held on 20 December, and the amount allotted under the tender was EUR 400 million.

The average of credit institutions' current account balances with the MNB slightly exceeded reserve requirements.² Excess reserves, at HUF 5.5 billion, continued to be insignificant compared with the sector's total reserve requirements of HUF 471 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 December (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 - December 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	9724,3	319,8	48,4	10092,5	Currency in circulation	2612,3	0,0	125,3	2737,7
Remaining assets	523,0	35,6	-2,3	556,3	Deposits of other MFIs	627,4	0,2	381,5	1009,2
					Deposits of central government	1594,7	31,9	-248,8	1377,9
					Two-week MNB bills held by residents ¹	3604,5	0,0	-78,8	3525,7
					Two-week MNB bills held by non residents ¹	366,4	0,0	-328,4	38,0
					External liabilities ²	801,4	22,9	198,9	1023,3
					Remaining liabilities	640,5	300,3	-3,8	937,0
Total assets	10247,4	355,4	46,0	10648,8	Total liabilities	10247,4	355,4	46,0	10648,8

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

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 1 (2) 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.

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