



## MAGYAR NEMZETI BANK

12 February 2013

### PRESS RELEASE

## Preliminary statistical balance sheet of the MNB: January 2013

*In January 2013, forint liquidity of the domestic banking sector increased. The increase in external assets reflected the change in central government deposits with the central bank, as revenue from the issue of Premium Euro Hungarian Government Bonds exceeded the amount of repayments of loans from the International Monetary Fund.*

#### 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	Dec 2012	Jan 2013	Monthly changes	Liabilities	Dec 2012	Jan 2013	Monthly changes	
External assets	9964,3	10343,7	379,5	Currency in circulation	2739,6	2676,4	-63,2	
Two-week loans of credit institutions	1,9	0,0	-1,9	Current account balances of other MFIs	477,3	474,6	-2,7	
Six-month loans of credit institutions	0,0	0,0	0,0	Overnight deposits of other MFIs	195,3	70,6	-124,6	
Two-year loans of credit institutions	122,0	122,0	0,0	Other deposits of other MFIs	9,9	1,0	-8,9	
Swap claims on foreign currency with credit institutions <sup>1</sup>	55,9	15,3	-40,6	Deposits of central government	1467,4	1616,3	148,9	
Remaining assets	409,8	434,9	25,1	Two-week MNB bills held by residents <sup>2</sup>	3670,4	3931,2	260,8	
				Two-week MNB bills held by non residents <sup>2</sup>	306,4	329,6	23,1	
				Foreign liabilities	851,3	816,7	-34,6	
				Swap liabilities to HUF with credit institutions <sup>1</sup>	55,9	15,3	-40,6	
				Remaining liabilities	780,5	984,3	203,8	
Total assets	10553,9	10916,0	362,0	Total liabilities	10553,9	10916,0	362,0	

<sup>1</sup> 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.)

<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 in January. This was partly reflected in an increase in total holdings of two-week MNB bills and a decline in the average stock of credit institutions' overnight deposits, which was smaller than the increase in the former. Average holdings of MNB bills by residents rose sharply, while those by non-residents edged up a little. The average stock of currency in circulation fell in January following the end-of-year increase in the previous month (see Table 1 and Chart 5 of the chart-pack).

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

The average and end-of-month stocks of external assets both increased in January, reflecting a rise in foreign exchange reserves. Revenue from the Premium Euro Hungarian Government Bonds issued by the Government and transfers received from the European Union were behind the increase in reserves. By contrast, the repayment by central government of HUF 179 billion to the IMF on 25 January had an opposite effect on the amount of reserves. As a result of the above effects, the average and end-of-month stocks of central government deposits both increased significantly in the month.

No allocation was made to counterparties by the MNB at its tender of two-year loans held in early January. 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 two-week, variable-rate EUR/HUF FX swap tender on an ad hoc basis for domestic credit institutions in December 2012. The first tender was held on 20 December, and the amount allotted under the tender was EUR 400 million. Consequently, the maturity and impact of the tender extended into the first few days of January 2013.

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 with the sector's total reserve requirements of HUF 468.8 billion (see Charts 1 and 2 of the chart-pack). The overnight interbank rate rose close to the upper bound of the interest rate corridor in January, reflecting the effect of high MNB bill holdings by credit institutions, before falling below the base rate and returning to the lower bound in the final week of 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 - January 2013**

HUF billions									
Assets	Opening stocks	Revaluations and other changes	Transactions	Closing stocks	Liabilities	Opening stocks	Revaluations and other changes	Transactions	Closing stocks
External assets	10092,5	-114,2	293,5	10271,8	Currency in circulation	2737,7	0,0	-70,5	2667,2
Remaining assets	558,7	91,0	-98,3	551,4	Deposits of other MFIs	1009,2	0,0	-529,8	479,4
					Deposits of central government	1377,9	-3,4	425,5	1800,1
					Two-week MNB bills held by residents <sup>1</sup>	3519,4	0,0	219,1	3738,5
					Two-week MNB bills held by non residents <sup>1</sup>	44,3	0,0	350,8	395,1
					External liabilities <sup>2</sup>	1023,3	-18,4	-168,6	836,4
					Remaining liabilities	939,4	-1,5	-31,4	906,5
<b>Total assets</b>	<b>10651,2</b>	<b>-23,2</b>	<b>195,2</b>	<b>10823,2</b>	<b>Total liabilities</b>	<b>10651,2</b>	<b>-23,2</b>	<b>195,2</b>	<b>10823,2</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 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, published simultaneously with this press release in the [chart pack](#) and in the tables entitled '[Balance sheets of MFIs and the monetary aggregates](#)', 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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