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PRESS RELEASE

Preliminary statistical balance sheet of the MNB: February 2014

In February 2014, forint liquidity of the domestic banking sector fell relative to the previous month. This mainly reflected a decline in the average stock of credit institutions' overnight deposits and in average holdings of two-week MNB bills.

1 Balance sheet of the MNB containing monthly average stocks

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

HUF billions							
Assets	Jan 2014	Feb 2014	Monthly changes	Liabilities	Jan 2014	Feb 2014	Monthly changes
External assets	10857,9	10874,3	16,4	Currency in circulation	3174,2	3276,5	102,4
Two-week and Six-month loans of credit institutions	0,0	0,0	0,0	Current account balances of other MFIs	425,6	424,0	-1,5
Two-year loans of credit institutions	112,0	112,0	0,0	Overnight deposits of other MFIs	253,8	87,4	-166,4
Swap claims on foreign currency with credit institutions ¹	5,2	0,0	-5,2	Other deposits of other MFIs	3,2	7,2	4,1
Swap claims on foreign currency related to Pillar 3 of the Funding for Growth Scheme with credit institutions ¹	110,8	156,2	45,5	Deposits of central government	1086,1	987,9	-98,2
Remaining assets	1030,5	1031,8	1,3	Two-week MNB bills held by residents ²	5128,6	4845,9	-282,7
				Two-week MNB bills held by non residents ²	372,8	604,5	231,7
				Foreign liabilities	566,0	529,5	-36,5
				Swap liabilities to HUF with credit institutions ¹	5,2	0,0	-5,2
				Swap liabilities to HUF related to Pillar 3 of the Funding for Growth Scheme with credit institutions ¹	110,8	156,2	45,5
				Remaining liabilities	990,2	1255,1	264,8
Total assets	12116,4	12174,3	57,9	Total liabilities	12116,4	12174,3	57,9

¹ This item includes the overnight, one-week, two-week, three-month- and EUR/HUF central bank FX-swaps with credit institutions related to Pillar 3 of the Funding for Growth Scheme 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.

In February, forint liquidity of the banking sector fell, mainly reflecting a decline in the average stock of credit institutions' overnight deposits and in average holdings of two-week MNB bills. Non-resident holdings of two-week MNB bills increased significantly, while resident holdings fell.

The average of credit institutions' current account balances with the central bank was unchanged relative to the previous month. The average stock of currency in circulation increased in the period under review (see Table 1 and Chart 5 of the chart-pack).

In February, the average stock of external assets increased slightly as a result of changes in average exchange rates. The average stock of central government deposits fell, due in part to the carry-over of the maturity of foreign currency-denominated bonds issued by the Debt Management Agency from the end of January and the maturity of a forint-denominated bond in February. The latter was also reflected in a decline in the end-of-month stock of deposits.

Under Pillar 3 of the Funding for Growth Scheme launched on 4 April 2013, the Magyar Nemzeti Bank introduced a new FX swap tender providing euro liquidity on 3 June 2013.¹ The monthly average stocks of FX swaps under the FGS are shown in Table 1.

The monthly average of the banking sector's current account balances with the MNB exceeded reserve requirements by the usual amount.² Excess reserves amounted to HUF 5.6 billion, which continued to be modest compared with the sector's total reserve requirements of HUF 418 billion (see Charts 1 and 2 of the chart-pack). In February, the overnight interbank rate fluctuated near the lower 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 2 Transactions and revaluations in the balance sheet of the MNB compiled from preliminary end-of-month data – February 2014

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	10866,2	-60,5	-72,6	10733,1	Currency in circulation	3211,6	0,0	106,2	3317,8
Remaining assets	1126,8	30,9	-5,5	1152,3	Deposits of other MFIs	392,1	0,0	171,5	563,7
					Deposits of central government	1305,1	-2,5	-307,5	995,1
					Two-week MNB bills held by residents ¹	4935,7	0,0	-366,9	4568,8
					Two-week MNB bills held by non residents ¹	407,7	0,0	383,8	791,5
					External liabilities ²	442,4	-5,3	-41,5	395,6
					Remaining liabilities	1298,3	-21,8	-23,7	1252,8
Total assets	11993,0	-29,5	-78,1	11885,3	Total liabilities	11993,0	-29,5	-78,1	11885,3

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

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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
DIRECTORATE STATISTICS

¹ For more details of the MNB's FX swap and CIRS tenders related to Pillar 3 of the Funding for Growth Scheme, see:

http://english.mnb.hu/Root/Dokumentumtar/ENMNB/Monetaris_politika/mnben_jegybanki_eszkozta/mnben_eszkozta_tenderek/nhp_swap_tajekoztato_20130830_EN.pdf

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.

Detailed tables: [Time series](#)

Notes: [Methodological notes](#)

Charts: [Chart pack](#)

Contact information:

Phone: + 36 (1) 428-2751

Fax: + 36 (1) 429-8000

Email: info@mnbb.hu