



14 July 2014

PRESS RELEASE

Preliminary statistical balance sheet of the MNB: June 2014

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

1 Balance sheet of the MNB containing monthly average stocks

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

HUF billions							
Assets	May 2014	Jun 2014	Monthly changes	Liabilities	May 2014	Jun 2014	Monthly changes
External assets	11183,0	11370,3	187,3	Currency in circulation	3373,8	3415,6	41,7
Two-week and Six-month loans of credit institutions	0,0	0,0	0,0	Current account balances of other MFIs	475,4	475,9	0,6
Two-year loans of credit institutions	13,3	3,0	-10,3	Overnight deposits of other MFIs	118,0	151,2	33,2
Swap claims on foreign currency with credit institutions ¹	0,0	0,0	0,0	Other deposits of other MFIs	9,4	8,9	-0,6
Swap claims on foreign currency related to Pillar 3 of the Funding for Growth Scheme with credit institutions ¹	237,7	239,1	1,4	Deposits of central government	1911,8	2143,2	231,4
Remaining assets	1113,4	1142,5	29,1	Two-week MNB bills held by residents ²	4594,1	4480,5	-113,6
				Two-week MNB bills held by non residents ²	472,7	448,0	-24,6
				Foreign liabilities	398,8	407,9	9,1
				Swap liabilities to HUF with credit institutions ¹	0,0	0,0	0,0
				Swap liabilities to HUF related to Pillar 3 of the Funding for Growth Scheme with credit institutions ¹	237,7	239,1	1,4
				Remaining liabilities	955,7	984,6	29,0
Total assets	12547,4	12754,9	207,6	Total liabilities	12547,4	12754,9	207,6

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.

³ Includes loans offered to credit institutions within Funding for Growth Scheme.

In June, forint liquidity of the banking sector fell, which was mainly reflected in a decline in average holdings of two-week MNB bills. By contrast, the average stock of credit institutions' overnight deposits increased. In the case of two-week MNB bills, holdings by the resident sector fell significantly, while holdings by the non-resident sector dropped slightly in June.

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

The average of external assets rose relative to May, mainly as a result of the receipt of transfers from the EU. The average stock of central government deposits also increased, due mainly to fact that issuance of forint-denominated government securities exceeded maturities.

The Magyar Nemzeti Bank's euro liquidity-providing FX swap tender, introduced on 3 June 2013 under Pillar 3 of the Funding for Growth Scheme, was last announced on 30 June 2014; the facility was terminated on 1 July 2014.¹ The monthly average amounts of FX swaps outstanding are shown in Table 1. On 16 June 2014, the MNB introduced three new central bank instruments.² Two forint interest rate swap tenders were announced in the month.³

The monthly average of the banking sector's current account balances with the Magyar Nemzeti Bank exceeded reserve requirements by the usual amount.⁴ Excess reserves amounted to HUF 6.0 billion, which continued to be moderate compared with the sector's total reserve requirements of HUF 470 billion (see Charts 1 and 2 of the chart-pack). The overnight interbank rate fluctuated near the lower bound of the interest rate corridor in June, crossing to the bottom of the corridor on the last business day 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 – June 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	11237,0	287,3	-67,5	11456,7	Currency in circulation	3384,8	0,0	53,4	3438,2
Remaining assets	1136,5	-16,4	28,6	1148,7	Deposits of other MFIs	468,5	0,0	342,9	811,4
					Deposits of central government	2117,5	6,2	138,4	2262,1
					Two-week MNB bills held by residents ¹	4632,4	0,0	-432,3	4200,1
					Two-week MNB bills held by non residents ¹	507,8	0,0	-68,1	439,6
					External liabilities ²	367,5	9,3	17,7	394,5
					Remaining liabilities	895,0	255,3	-90,9	1059,4
Total assets	12373,5	270,8	-38,9	12605,4	Total liabilities	12373,5	270,8	-38,9	12605,4

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

* * * * *

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_eszkoztar/mnben_eszkoztar_tenderek/nhp_swap_tajekoztato_20130830_EN.pdf

² For more information on the Bank's new instruments, see:

http://english.mnb.hu/Monetaris_politika/mnben_jegybanki_eszkoztar/mnben_eszkoztar_tenderek

³ Data on the IRS tenders announced are available at:

http://english.mnb.hu/Monetaris_politika/mnben_jegybanki_eszkoztar/mnben_eszkoztar_tenderek/interest-rate-swap-tenders

⁴ 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.

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

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