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PRESS RELEASE

Preliminary statistical balance sheet of the MNB: March 2014

In March 2014, forint liquidity of the domestic banking sector rose slightly relative to the previous month, reflecting an increase in the average stock of credit institutions' overnight deposits. Average holdings of two-week MNB bills fell modestly.

1 Balance sheet of the MNB containing monthly average stocks

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

Assets				Liabilities	HUF billions		
	Feb 2014	Mar 2014	Monthly changes		Feb 2014	Mar 2014	Monthly changes
External assets	10874,3	11105,0	230,7	Currency in circulation	3276,5	3325,6	49,1
Two-week and Six-month loans of credit institutions	0,0	0,0	0,0	Current account balances of other MFIs	424,0	421,4	-2,6
Two-year loans of credit institutions	112,0	112,0	0,0	Overnight deposits of other MFIs	87,4	163,3	75,8
Swap claims on foreign currency with credit institutions ¹	0,0	1,0	1,0	Other deposits of other MFIs	7,2	8,5	1,2
Swap claims on foreign currency related to Pillar 3 of the Funding for Growth Scheme with credit institutions ¹	180,2	181,0	0,9	Deposits of central government	987,9	1175,1	187,2
Remaining assets	1031,8	1060,1	28,3	Two-week MNB bills held by residents ²	4845,9	4662,3	-183,6
				Two-week MNB bills held by non residents ²	604,5	755,9	151,4
				Foreign liabilities	529,5	487,9	-41,6
				Swap liabilities to HUF with credit institutions ¹	0,0	1,0	1,0
				Swap liabilities to HUF related to Pillar 3 of the Funding for Growth Scheme with credit institutions ¹	180,2	181,0	0,9
				Remaining liabilities	1255,1	1277,0	21,9
Total assets	12198,2	12459,1	260,9	Total liabilities	12198,2	12459,1	260,9

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 March, forint liquidity of the banking sector rose slightly, reflecting an increase in the average stock of credit institutions' overnight deposits. In contrast, average holdings of two-week MNB bills fell. In the case of two-week MNB bills, holdings by the non-resident sector increased, while holdings by the resident sector declined in the month.

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 slightly in the month (see Table 1 and Chart 5 of the chart-pack).

The average and end-of-month stocks of external assets increased, mainly as a result of the large US dollar-denominated government bond issue by the Debt Management Agency on 25 March.

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 5.5 billion, which continued to be moderate compared with the sector's total reserve requirements of HUF 415.9 billion (see Charts 1 and 2 of the chart-pack). In March, the overnight interbank rate fluctuated near the lower bound of the interest rate corridor, except on 14 March, when it rose above the level of the central bank base rate (see Chart 12 of the chart-pack). The HUFONIA dropped below the interest rate corridor on the last two working days of the month.

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 – March 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	10733,1	-155,5	786,2	11363,8	Currency in circulation	3317,8	0,0	15,6	3333,4
Remaining assets	1152,6	31,4	3,8	1187,7	Deposits of other MFIs	563,7	0,0	241,4	805,1
					Deposits of central government	995,1	-1,9	794,1	1787,4
					Two-week MNB bills held by residents ¹	4568,8	0,0	-52,1	4516,6
					Two-week MNB bills held by non residents ¹	791,6	0,0	-221,4	570,2
					External liabilities ²	395,6	-6,8	-16,6	372,2
					Remaining liabilities	1253,1	-115,5	29,0	1166,6
Total assets	11885,7	-124,2	790,0	12551,5	Total liabilities	11885,7	-124,2	790,0	12551,5

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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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_eszkozatar/mnben_eszkozatar_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.

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.

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Detailed tables: [Time series](#)

Notes: [Methodological notes](#)

Charts: [Chart pack](#)

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