

## PRESS RELEASE

### Preliminary statistical balance sheet of the MNB: November 2011

*In November 2011, surplus liquidity of the banking sector rose slightly relative to the previous month, as reflected in an increase in average holdings of two-week MNB bills. On the assets sides, external assets rose. On the liabilities side, deposits of central government and credit institutions' overnight deposits fell.*

#### 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	Oct 2011	Nov 2011	Monthly changes	Liabilities	Oct 2011	Nov 2011	Monthly changes
External assets	11588,4	11733,0	144,6	Currency in circulation	2590,8	2651,8	60,9
Two-week loans of credit institutions	0,0	0,0	0,0	Current account balances of other MFIs	459,0	466,9	7,9
Six-month loans of credit institutions	25,0	25,0	0,0	Overnight deposits of other MFIs	285,4	215,1	-70,3
Swap claims on foreign currency with credit institutions <sup>1</sup>	240,2	188,0	-52,2	Other deposits of other MFIs	43,6	32,4	-11,3
Swap claims on HUF related to final payment euro selling tender with credit institutions <sup>2</sup>	209,7	253,1	43,4	Deposits of central government	2034,4	1647,5	-386,9
Remaining assets	464,9	464,2	-0,7	Two-week MNB bills held by residents	4023,1	4087,9	64,9
				Two-week MNB bills held by non residents	220,4	307,6	87,2
				Foreign liabilities	1076,6	1087,6	11,0
				Swap liabilities to HUF with credit institutions <sup>1</sup>	240,2	188,0	-52,2
				Swap liabilities to foreign currency related to final payment euro selling tender with credit institutions <sup>2</sup>	209,7	253,1	43,4
				Remaining liabilities	1345,0	1725,5	380,5
Total assets	12528,1	12663,3	135,2	Total liabilities	12528,1	12663,3	135,2

<sup>1</sup> This item includes the overnight EUR/HUF and three-month EUR/HUF central bank FX-swaps with credit institutions on a gross basis. (See the Methodological notes.)

<sup>2</sup> This item includes the overnight HUF/EUR FX-swaps related to euro selling tender with credit institutions on a gross basis. (See the Methodological notes.)

In November, forint liquidity of the banking sector rose slightly relative to the previous month, as reflected mainly in a significant increase in total monthly average holdings of two-week MNB bills. By contrast, the average of credit institutions' overnight deposits fell significantly. Non-residents' holdings of two-week MNB bills rose significantly and those of residents edged up slightly relative to October.

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

The increase in forint liquidity mainly reflected the liquidity-enhancing effect of the decline in deposits of central government and the fall in central bank three-month swaps. That effect was partly offset by an increase in currency in circulation (see Table 5 of the chart-pack). The increase in cash holdings during the period leading up to Christmas was as usual around this time of the year. The monthly average of swaps related to early repayments amounted to HUF 253 billion<sup>2</sup> (see Table 1 and Chart 8 of the chart-pack).

A EUR 1 billion foreign currency bond matured on 28 October, causing a significant decline in the monthly averages of external assets and deposits of central government in November. The effect of this on external assets was fully offset by the depreciation of the forint through the revaluation effect. Consequently, the stock of external assets and other liabilities rose both in the average balance sheet and the end-of-month balance sheet. On 29 November, the repayment of the amount due on the loan received from the EU Commission in 2008 reduced foreign exchange reserves by EUR 2 billion. That mainly affected the end-of-month stock of external assets.

The MNB has been conducting euro sale tenders related to the early repayment programme on a weekly basis since 3 October 2011. The amounts of bids and the amounts allocated under the programme as households continue to repay their existing foreign currency borrowings are contained in Table 2.

**Table 2 Amounts of bids accepted and amounts allocated under euro sale tenders related to early repayments\***

	Amount of accepted offers on the euro selling tender		Amount of actual foreign currency payments related to the realized final repayment	
	EUR millions	HUF billions	EUR millions	HUF billions
October 2011	890	262	235	69
November 2011	320	98	291	86
Sum:	1210	360	526	155

\* Monthly data show only the amounts of bids accepted and amounts allocated during the month.  
For more details, see the Methodological notes.

The average of credit institutions' current account balances with the MNB increased. Balances slightly exceeded reserve requirements,<sup>3</sup> with excess reserves, at HUF 5.6 billion, continuing to be insignificant compared with the sector's total reserve requirements of HUF 461 billion (see Charts 1 and 2 of the chart-pack). The overnight interbank rate fluctuated near the lower bound of the interest rate corridor throughout the month; however, it nearly reached the middle of the corridor in the middle of the month (see Chart 12 of the chart-pack).

<sup>2</sup> For more details on the Bank's euro sale tenders, see the [http://english.mnb.hu/Monetaris\\_politika/mnben\\_jegybanki\\_eszkozatar/mnben\\_eszkozatar\\_tenderek/fx-swap-tenders](http://english.mnb.hu/Monetaris_politika/mnben_jegybanki_eszkozatar/mnben_eszkozatar_tenderek/fx-swap-tenders) page on the Bank's website and the Methodological notes.

<sup>3</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 at most semi-annually. In the absence of such a choice, the lowest ratio will apply to required reserves, as specified in the Decree.

## 2 Balance sheet of the MNB compiled from end-of-month data

**Table 3 Transactions and revaluations in the balance sheet of the MNB compiled from end-of-month data – November 2011**

HUF billions									
Assets	Opening stocks	Revaluations and other changes	Transactions	Closing stocks	Liabilities	Opening stocks	Revaluations and other changes	Transactions	Closing stocks
External assets	11303,6	454,6	-390,9	11367,2	Currency in circulation	2643,0	0,0	50,0	2693,0
Remaining assets	487,6	20,7	-20,4	488,0	Deposits of other MFIs	721,2	0,5	38,8	760,5
					Deposits of central government	1731,9	42,1	-239,2	1534,8
					Two-week MNB bills held by residents	3858,2	0,0	-190,4	3667,8
					Two-week MNB bills held by non residents	371,8	0,0	-140,8	231,0
					External liabilities *	1014,9	72,8	111,9	1199,6
					Remaining liabilities	1450,1	359,9	-41,4	1768,5
Total assets	11791,2	475,3	-411,2	11855,2	Total liabilities	11791,2	475,3	-411,2	11855,2

\* This item does not include the two-week MNB bills held by non residents

\* \* \* \* \*

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](http://www.mnb.hu).*

Detailed tables: [Time series](#)  
Notes: [Methodological notes](#)  
Charts: [Chart pack](#)  
Email: [sajto@mnb.hu](mailto:sajto@mnb.hu)