



MAGYAR NEMZETI BANK

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PRESS RELEASE

Preliminary statistical balance sheet of the MNB: November 2012

In November 2012, forint liquidity of the domestic banking sector fell, as reflected in a decline in average holdings of two-week MNB bills. The overnight interbank interest rate approached the level of the central bank base rate on several occasions during the month.

1 Balance sheet of the MNB containing monthly average stocks

Table 1 Statistical balance sheet of the MNB – monthly average stocks¹

HUF billions							
Assets	Oct 2012	Nov 2012	Monthly changes	Liabilities	Oct 2012	Nov 2012	Monthly changes
External assets	10005,1	9839,0	-166,1	Currency in circulation	2600,8	2614,9	14,1
Two-week loans of credit institutions	12,7	14,6	1,9	Current account balances of other MFIs	416,7	476,8	60,0
Six-month loans of credit institutions	0,0	0,0	0,0	Overnight deposits of other MFIs	129,4	95,3	-34,1
Two-year loans of credit institutions	122,0	122,0	0,0	Other deposits of other MFIs	0,4	1,6	1,2
Swap claims on foreign currency with credit institutions ¹	0,0	0,0	0,0	Deposits of central government	1649,4	1509,4	-140,0
Remaining assets	403,9	370,0	-33,9	Two-week MNB bills held by residents ²	3706,1	3683,8	-22,3
				Two-week MNB bills held by non residents ²	538,3	426,9	-111,4
				Foreign liabilities	789,9	802,8	12,9
				Swap liabilities to HUF with credit institutions ¹	0,0	0,0	0,0
				Remaining liabilities	712,7	734,1	21,4
Total assets	10543,8	10345,7	-198,1	Total liabilities	10543,8	10345,7	-198,1

¹ This item includes the overnight, one-week and three-month EUR/HUF central bank FX-swaps with credit institutions 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.

Forint liquidity of the banking sector fell in November. This was mainly reflected in a decline in average holdings of two-week MNB bills, which, however, was slightly offset by an increase in the average stock of credit institutions' overnight deposits. An explanation for the increase in the average stock of credit institutions' overnight deposits was the fact that several market participants chose a higher reserve ratio from 1 November, which led to an increase of more than HUF 60 billion in credit institutions' cumulative reserve requirements.

¹ See the Methodological notes.

Non-resident holdings of MNB bills fell sharply and average holdings by residents decreased slightly in November. The average stock of currency in circulation rose a little relative to the previous month (see Table 1 and Chart 8 of the chart-pack).

The average and end-of-month stocks of external assets both fell in November, as the Government repaid HUF 172 billion of its loan received from the IMF in 2008 and HUF 284 billion of foreign currency bonds issued by the Government Debt Management Agency matured on 2 November. The downward impact of these on foreign exchange reserves was partly offset by transfers from the European Union. As a result of the above, the average and end-of-months stocks of deposits of central government both fell significantly.

No allocation was made to counterparties by the MNB at its tender of two-year loans held in early November. Table 1 shows the monthly average stock of loans.

The average of credit institutions' current account balances with the MNB slightly exceeded reserve requirements.² Excess reserves, at HUF 4.5 billion, continued to be insignificant compared with the sector's total reserve requirements of HUF 472 billion (see Charts 1 and 2 of the chart-pack). The overnight interbank rate fluctuated near the lower bound of the interest rate corridor during November; however, it approached the mid-point of the corridor set by the central bank base rate in the first and third weeks 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 - November 2012

HUF billions									
Assets	Opening stocks	Revaluations and other changes	Transactions	Closing stocks	Liabilities	Opening stocks	Revaluations and other changes	Transactions	Closing stocks
External assets	10166,9	-155,6	-286,3	9725,0	Currency in circulation	2628,5	0,0	-16,2	2612,3
Remaining assets	501,5	38,5	-19,7	520,2	Deposits of other MFIs	465,9	0,1	161,4	627,4
					Deposits of central government	1724,8	-12,1	-118,0	1594,7
					Two-week MNB bills held by residents ¹	3779,0	0,0	-174,1	3604,9
					Two-week MNB bills held by non residents ¹	472,6	0,0	-106,5	366,1
					External liabilities ²	839,0	-11,2	-26,4	801,4
					Remaining liabilities	758,6	-93,9	-26,3	638,4
Total assets	10668,5	-117,2	-306,0	10245,3	Total liabilities	10668,5	-117,2	-306,0	10245,3

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

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.

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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.

Detailed tables: [Time series](#)
Notes: [Methodological notes](#)
Charts: [Chart pack](#)
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