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## PRESS RELEASE

### Preliminary statistical balance sheet of the MNB: November 2016

*In November 2016, forint liquidity of the domestic banking sector fell. This was reflected in the increase in the average stock of credit institutions' overnight deposits, as well as the decrease of three-month and other deposits exceeding this. The average stock of currency in circulation increased during the month. The average stock of external assets and their end-of-month stock increased in November. The overnight interbank interest rate was under the central bank base rate throughout November.*

#### 1 Balance sheet of the MNB containing monthly average stocks

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

HUF billions							
Assets	Oct 2016	Nov 2016	Monthly changes	Liabilities	Oct 2016	Nov 2016	Monthly changes
External assets	8 075,0	8 371,4	296,4	Currency in circulation	4 475,5	4 501,4	25,9
One-week and Three-month loans of credit institutions	247,1	129,6	-117,6	Current account balances of other MFIs	355,1	350,5	-4,7
Swap claims on HUF related to foreign currency sale tender for the settlement and conversation of FX loans with credit institutions <sup>1,3</sup>	520,1	523,4	3,4	Overnight deposits of other MFIs	75,7	313,3	237,5
Swap claims on HUF related to forint liquidity providing EUR/HUF FX swap <sup>1,2</sup>	122,4	387,3	264,9	Three-month deposits of other MFIs <sup>5</sup>	1 444,2	1 110,9	-333,2
Other swap claims on foreign currency with credit institutions <sup>1</sup>	0,0	0,0	0,0	Other deposits of other MFIs	144,5	132,5	-12,0
Remaining assets <sup>4,6</sup>	1 731,4	1 713,3	-18,0	Deposits of central government	1 548,5	1 778,1	229,6
				External liabilities	865,3	850,9	-14,4
				Swap liabilities to foreign currency related to euro sale tender for the settlement and conversation of FX loans with credit institutions <sup>1,3</sup>	520,1	523,4	3,4
				Swap liabilities to foreign currency related to forint liquidity providing EUR/HUF FX swap <sup>1,2</sup>	122,4	387,3	264,9
				Other swap liabilities to HUF with credit institutions <sup>1</sup>	0,0	0,0	0,0
				Remaining liabilities <sup>6</sup>	1 144,7	1 176,7	32,1
Total assets	10 696,0	11 125,1	429,1	Total liabilities	10 696,0	11 125,1	429,1

<sup>1</sup> This item includes FX-swaps with credit institutions on a gross basis. (See the Methodological notes.)

<sup>2</sup> A notice on Forint liquidity providing EUR/HUF FX swap is available on the MNB's website at <http://www.mnb.hu/letoltes/t-c-forint-liquidity-providing-swap-en.pdf>

<sup>3</sup> A notice on EUR and CHF sale tenders related to the settlement and conversation of foreign currency loans is available on the MNB's website at <http://www.mnb.hu/en/monetary-policy/monetary-policy-instruments/tenders-quick-tenders/fx-spot-tenders>

<sup>4</sup> Includes loans offered to credit institutions within Funding for Growth Scheme.

<http://www.mnb.hu/en/monetary-policy/funding-for-growth-scheme-fgs>

<sup>5</sup> From 23 September, the three-month deposit has been the MNB's policy instrument.

<sup>6</sup> From March 2016, other items on both the assets and liabilities sides include swaps outstanding under Phase 3 of Pillar 2 of the Funding for Growth Scheme as well.

The average and end-of-month stock of **external assets** rose in November. The carry-over effect of the increase at the end of the previous month offset the increase in November. The stock of foreign currency arising from the fine-tuning instruments (from FX swap tenders providing forint liquidity), introduced in October, as well as the receipt of EU transfers in the second part of October led to a sharp increase in the average stock.

The average stock of swap transactions related to the settlement and forint conversion of household foreign currency loans is shown in Table 1 and Chart 8 of the chart-pack.

The average stock of **lending** to credit institutions fell further in November. The average stocks of both one-week and three-month loans to banks fell in the period.

The MNB held EUR/HUF FX-swap tenders providing forint liquidity twice in November, on 14 and 21. Table 1 of the press release and Chart 8 of the chart pack include the November 2016 average outstanding stock of FX swaps entered under the MNB's new fine-tuning operation.

The **average stock of currency in circulation** continued to rise during the month (Table 1 and Chart 5 of the chart-pack).

At HUF 6.1 billion, the monthly average of the banking sector's **current account balances** with the MNB exceeded reserve requirements by a smaller amount than in the previous month. In November, reserve requirements amounted to HUF 344.4 billion (Charts 1 and 2 of the chart-pack).

The banking sector's liquidity fell in November: the average stock of **overnight deposits** increased, which was exceeded by the decline in the use of **three-month and other deposits**. The sharp decrease in the average and end-of-month stock of three-month deposits compared to the previous month is explained by the fact that the MNB has announced the tenders for policy instruments with a quantity limit since the tender held on 26 October 2016 and less deposits were accepted at the tenders in October-November than the volume of maturing issues.

The average stock of **central government deposits** increased during the month as a result of the carry-over effect of EU transfers.

The average stock of **external liabilities** fell slightly relative to October.

The **overnight interbank rate** was under the central bank base rate throughout November. It fluctuated near the base rate for a few days in the first half of the month, before gradually falling below that level (Chart 12 of the chart-pack). On 23 November, the MNB reduced the overnight lending rate by 15 basis points. As a result, the interest rate corridor narrowed further. Since that date, the interest rate paid for overnight loans has been equivalent to the central bank base rate. The lower bound of the corridor has remained unchanged at the value of the base rate minus 95 basis points.

## 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 2016**

HUF billions

Assets	Opening stocks	Revaluations and other changes	Transactions	Closing stocks	Liabilities	Opening stocks	Revaluations and other changes	Transactions	Closing stocks
External assets	8 353,1	18,8	81,7	8 453,7	Currency in circulation	4 519,6	0,0	-8,0	4 511,6
Remaining assets	1 948,3	33,3	-184,3	1 797,4	Three-month deposits of other MFIs	1 174,2	0,0	-237,4	936,8
					Other deposits of other MFIs	786,8	1,0	124,5	912,3
					Deposits of central government	1 914,1	1,6	10,0	1 925,8
					External liabilities	844,0	10,5	28,9	883,4
					Remaining liabilities	1 062,7	39,1	-20,5	1 081,2
Total assets	10 301,5	52,1	-102,6	10 251,1	Total liabilities	10 301,5	52,1	-102,6	10 251,1

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### MAGYAR NEMZETI BANK DIRECTORATE STATISTICS

Detailed tables: [Time series](#)

Notes: [Methodological notes](#)

Charts: [Chart pack](#)

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