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## PRESS RELEASE

### Preliminary statistical balance sheet of the MNB: December 2013

*In December 2013, forint liquidity of the domestic banking sector increased relative to the previous month. The average stock of external assets rose, mainly reflecting the carry-over effect of the issue of foreign currency-denominated bonds by the Debt Management Agency in November, while the end-of-month stock of external assets fell.*

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

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

HUF billions							
Assets	Nov 2013	Dec 2013	Monthly changes	Liabilities	Nov 2013	Dec 2013	Monthly changes
External assets	10332,9	10794,6	461,7	Currency in circulation	3065,1	3250,6	185,5
Two-week and Six-month loans of credit institutions	0,0	0,0	0,0	Current account balances of other MFIs	424,4	435,2	10,8
Two-year loans of credit institutions	112,0	112,0	0,0	Overnight deposits of other MFIs	75,4	110,1	34,7
Swap claims on foreign currency with credit institutions <sup>1</sup>	0,0	5,2	5,2	Other deposits of other MFIs	4,7	4,6	0,0
Swap claims on foreign currency related to Pillar 3 of the Funding for Growth Scheme with credit institutions <sup>1</sup>	151,3	153,3	2,0	Deposits of central government	1345,6	1162,9	-182,7
Remaining assets	999,7	1041,2	41,5	Two-week MNB bills held by residents <sup>2</sup>	4668,8	4743,1	74,3
				Two-week MNB bills held by non residents <sup>2</sup>	409,4	666,9	257,4
				Foreign liabilities	547,5	615,7	68,2
				Swap liabilities to HUF with credit institutions <sup>1</sup>	0,0	5,2	5,2
				Swap liabilities to HUF related to Pillar 3 of the Funding for Growth Scheme with credit institutions <sup>1</sup>	151,3	153,3	2,0
				Remaining liabilities	903,7	958,7	55,0
<b>Total assets</b>	<b>11595,9</b>	<b>12106,3</b>	<b>510,4</b>	<b>Total liabilities</b>	<b>11595,9</b>	<b>12106,3</b>	<b>510,4</b>

<sup>1</sup> 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.)

<sup>2</sup> 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 December, forint liquidity of the banking sector increased. This reflected a sharp rise in average holdings of two-week MNB bills and an increase in the average stock of credit institutions' overnight deposits. Non-resident holdings of two-week MNB bills rose significantly and non-resident holdings increased slightly in the month.

The average of credit institutions' current account balances with the central bank rose slightly relative to the previous month. The average stock of currency in circulation increased significantly, due mainly to the seasonal effect characterising the end of the year (see Table 1 and Chart 5 of the chart-pack).

in December, the average stock of external assets increased, reflecting the carry-over effect of the foreign currency bond issue in November. By contrast, the end-of-month stock of external assets fell. The average stock of central government deposits also fell.

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.<sup>1</sup> 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 a larger margin than usual.<sup>2</sup> Excess reserves amounted to HUF 19 billion. Although the surplus continued to be relatively small compared with total reserve requirements of HUF 416 billion, it indicated that the sector managed the more uncertain liquidity management period around year-end very cautiously, by maintaining its current account balances at a high level (see Charts 1 and 2 of the chart-pack). The overnight interbank rate fluctuated near the lower bound of the interest rate corridor during most of the month, except between 12 and 17, when it moved above the central bank base rate (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 – December 2013**

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	10697,3	-210,9	-222,0	10264,4	Currency in circulation	3101,6	0,0	101,1	3202,7
Remaining assets	1132,8	50,9	-18,0	1165,7	Deposits of other MFIs	693,9	0,0	170,6	864,5
					Deposits of central government	1622,7	-8,2	-862,6	751,9
					Two-week MNB bills held by residents <sup>1</sup>	4511,7	0,0	365,2	4876,9
					Two-week MNB bills held by non residents <sup>1</sup>	439,8	0,0	-147,6	292,1
					External liabilities <sup>2</sup>	479,2	-11,5	144,3	612,1
					Remaining liabilities	981,2	-140,3	-11,0	829,9
<b>Total assets</b>	<b>11830,0</b>	<b>-160,0</b>	<b>-240,0</b>	<b>11430,0</b>	<b>Total liabilities</b>	<b>11830,0</b>	<b>-160,0</b>	<b>-240,0</b>	<b>11430,0</b>

<sup>1</sup> 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.

<sup>2</sup> This item does not include the two-week MNB bills held by non residents.

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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

<sup>1</sup> 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](http://english.mnb.hu/Root/Dokumentumtar/ENMNB/Monetaris_politika/mnben_jegybanki_eszkozatar/mnben_eszkozatar_tenderek/nhp_swap_tajekoztato_20130830_EN.pdf)

<sup>2</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 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 primary statutory duty of the Magyar Nemzeti Bank is to deliver and maintain price stability. The MNB ensures the safe operation of the payment and settlement systems, as well as the uninterrupted flow of payments, safeguards the financial stability of the banking sector, manages the country's foreign currency reserves, collects and publishes statistical data, and issues the forint, Hungary's national legal tender.*

Detailed tables: [Time series](#)

Notes: [Methodological notes](#)

Charts: [Chart pack](#)

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