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## PRESS RELEASE

### Preliminary statistical balance sheet of the MNB: December 2014

*In December 2014, forint liquidity of the banking sector rose significantly, which was reflected in increases in the average stocks of overnight and two-week deposits. The average stock of external assets increased significantly in the month, mainly as a result of exchange rate effects. In December, the MNB announced a single EUR/HUF FX swap tender to maintain adequate liquidity in the market around the end of the year.*

#### 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 2014	Dec 2014	Monthly changes	Liabilities	Nov 2014	Dec 2014	Monthly changes
External assets	10830,0	11017,4	187,4	Currency in circulation	3631,8	3784,7	152,9
Two-week and Six-month loans of credit institutions	0,0	0,0	0,0	Current account balances of other MFIs	501,6	498,8	-2,8
Swap claims on foreign currency with credit institutions <sup>1</sup>	214,9	256,2	41,4	Overnight deposits of other MFIs	92,3	233,5	141,2
Swap claims on foreign currency related to Pillar 3 of the Funding for Growth Scheme with credit institutions <sup>1</sup>	178,3	180,3	2,0	Two-week deposits of other MFIs	4896,8	5049,8	153,0
Swap claims on HUF related to euro sale tender for the settlement and conversation of FX loans with credit institutions <sup>1,2</sup>	1833,0	2770,5	937,5	Other deposits of other MFIs	136,3	129,6	-6,8
Remaining assets <sup>3</sup>	1357,6	1407,1	49,6	Deposits of central government	1442,5	947,6	-494,9
				Foreign liabilities	495,4	672,1	176,7
				Swap liabilities to HUF with credit institutions <sup>1</sup>	214,9	256,2	41,4
				Swap liabilities to HUF related to Pillar 3 of the Funding for Growth Scheme with credit institutions <sup>1</sup>	178,3	180,3	2,0
				Swap liabilities to foreign currency related to euro sale tender for the settlement and conversation of FX loans with credit institutions <sup>1,2</sup>	1833,0	2770,5	937,5
				Remaining liabilities	991,0	1108,5	117,5
Total assets	14413,8	15631,7	1217,9	Total liabilities	14413,8	15631,7	1217,9

<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, and swap related to euro sale tender for the settlement and conversation of FX loans on a gross basis. (See the

<sup>2</sup> For more information see the website: Notice on euro sale tender of the settlement and conversation of FX loans.

[http://english.mnb.hu/Monetaris\\_politika/mnben\\_jegybanki\\_eszkozatar/mnben\\_eszkozatar\\_tenderek/fx-spot-tenders](http://english.mnb.hu/Monetaris_politika/mnben_jegybanki_eszkozatar/mnben_eszkozatar_tenderek/fx-spot-tenders)

<sup>3</sup> Includes loans offered to credit institutions within Funding for Growth Scheme.

[http://english.mnb.hu/Root/Dokumentumtar/ENMNB/Monetaris\\_politika/fgs/2015/FGS2\\_utilization\\_06012015.pdf](http://english.mnb.hu/Root/Dokumentumtar/ENMNB/Monetaris_politika/fgs/2015/FGS2_utilization_06012015.pdf)

In December, forint liquidity of the banking sector rose significantly, which was reflected in increases in the average stocks of overnight and two-week deposits.

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

The average stock of external assets increased significantly in December 2014, due mainly to exchange rate effects. Transfers from the EU also contributed to the increase in the average stock of external assets in the month. The average stock of central government deposits fell considerably, reflecting redemptions and maturities of government securities as well as repayments of loans.

The euro liquidity-providing FX swap tender, introduced under Pillar 3 of the Funding for Growth Scheme, was terminated on 1 July 2014. The monthly average amounts of FX swaps outstanding are shown in Table 1.

The average stocks of swap transactions entered into at the swap tenders for euro sales combined with a spot transaction, introduced by the MNB in order to cover banks' hedging needs arising from the settlement of household foreign currency loans and conversions of foreign currency loans into forints, are contained in Table 1 and Chart 8 of the chart-pack.

In December, the MNB announced a single two-week, variable rate EUR/HUF FX swap tender, in order to maintain adequate liquidity in the market around the end of the year. The total amount allotted at the tender held on 22 December was EUR 20 million.<sup>1</sup>

The monthly average of the banking sector's current account balances with the MNB exceeded reserve requirements by the usual amount.<sup>2</sup> Excess reserves amounted to HUF 5.1 billion, which continued to be moderate compared with the sector's total reserve requirements of HUF 494 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 December and fell below the lower bound of the corridor on the last day of the year (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 2014**

HUF billions									
Assets	Opening stocks	Revaluations and other changes	Transactions	Closing stocks	Liabilities	Opening stocks	Revaluations and other changes	Transactions	Closing stocks
External assets	10782,9	422,0	-19,5	11185,4	Currency in circulation	3636,1	0,0	113,0	3749,1
Remaining assets	1422,5	6,4	25,8	1454,7	Other deposits of other MFIs	975,7	0,0	-45,5	930,2
					Two-week deposits of other MFIs	4773,7	0,0	309,6	5083,4
					Deposits of central government	1273,4	8,3	-293,4	988,3
					External liabilities	529,3	20,5	134,9	684,7
					Remaining liabilities	1017,1	399,6	-212,3	1204,5
Total assets	12205,4	428,4	6,2	12640,1	Total liabilities	12205,4	428,4	6,2	12640,1

<sup>1</sup> The tender documentation is available on the MNB's website at:

[http://english.mnb.hu/Root/Dokumentumtar/ENMNB/Monetaris\\_politika/mnben\\_jegybanki\\_eszkozatar/mnben\\_eszkozatar\\_tenderek/2hete\\_s\\_swap\\_tenderfelhivas\\_angol\\_2014\\_12\\_22.pdf](http://english.mnb.hu/Root/Dokumentumtar/ENMNB/Monetaris_politika/mnben_jegybanki_eszkozatar/mnben_eszkozatar_tenderek/2hete_s_swap_tenderfelhivas_angol_2014_12_22.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 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

Detailed tables: [Time series](#)

Notes: [Methodological notes](#)

Charts: [Chart pack](#)

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