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## PRESS RELEASE

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

*In November 2013, forint liquidity of the domestic banking sector increased relative to the previous month. The average and end-of-month stocks of external assets increased, reflecting the issue of foreign currency-denominated bonds by the Debt Management Agency and the receipt of EU transfers in the month.*

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

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

Assets				Liabilities	HUF billions		
	Oct 2013	Nov 2013	Monthly changes		Oct 2013	Nov 2013	Monthly changes
External assets	9940,7	10332,6	391,9	Currency in circulation	3036,5	3065,1	28,6
Two-week and Six-month loans of credit institutions	0,0	0,0	0,0	Current account balances of other MFIs	430,1	424,4	-5,8
Two-year loans of credit institutions	112,0	112,0	0,0	Overnight deposits of other MFIs	214,0	75,4	-138,6
Swap claims on foreign currency with credit institutions <sup>1</sup>	0,0	0,0	0,0	Other deposits of other MFIs	1,5	4,7	3,2
Swap claims on foreign currency related to Pillar 3 of the Funding for Growth Scheme with credit institutions <sup>1</sup>	146,1	151,3	5,2	Deposits of central government	1311,0	1345,6	34,6
Remaining assets	983,1	998,4	15,3	Two-week MNB bills held by residents <sup>2</sup>	4207,7	4668,8	461,1
				Two-week MNB bills held by non residents <sup>2</sup>	405,4	409,4	4,0
				Foreign liabilities	611,6	547,2	-64,4
				Swap liabilities to HUF with credit institutions <sup>1</sup>	0,0	0,0	0,0
				Swap liabilities to HUF related to Pillar 3 of the Funding for Growth Scheme with credit institutions <sup>1</sup>	146,1	151,3	5,2
				Remaining liabilities	818,0	902,4	84,4
<b>Total assets</b>	<b>11181,8</b>	<b>11594,3</b>	<b>412,4</b>	<b>Total liabilities</b>	<b>11181,8</b>	<b>11594,3</b>	<b>412,4</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 November, forint liquidity of the banking sector increased: average holdings of two-week MNB bills rose significantly, which was slightly offset by the decline in the average stock of credit institutions' overnight deposits. Resident holdings of two-week MNB bills increased, reflecting in large part the liquidity-increasing effect of the outflow of payments from the Treasury accounts and the reallocation of liquidity becoming available due to the decline in credit institutions' overnight deposits into MNB bills. Non-resident holdings of two-week MNB bills increased slightly in the month.

The average of credit institutions' current account balances with the central bank fell slightly and the average stock of currency in circulation increased relative to the previous month (see Table 1 and Chart 5 of the chart-pack).

The average and end-of-month stocks of external assets increased significantly, due to the issue of USD 2 billion of foreign currency-denominated bonds by the Debt Management Agency on 22 November and the receipt of EU transfers in the month. This was also reflected in an increase in central government deposits, which was partly offset by the outflow of Treasury payments.

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 credit institutions' current account balances with the MNB slightly exceeded reserve requirements.<sup>2</sup> Excess reserves amounted to HUF 5.1 billion, which continued to be insignificant compared with the sector's total reserve requirements of HUF 419.28 billion (see Charts 1 and 2 of the chart-pack). In November, the overnight interbank rate fluctuated near the lower bound of the interest rate corridor, except on 22 November, when it moved above the centre of the corridor, i.e. the central bank base rate, temporarily (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 2013**

HUF billions									
Assets	Opening stocks	Revaluations and other changes	Transactions	Closing stocks	Liabilities	Opening stocks	Revaluations and other changes	Transactions	Closing stocks
External assets	9902,2	214,1	580,6	10696,9	Currency in circulation	3048,3	0,0	53,3	3101,6
Remaining assets	1098,5	19,1	13,6	1131,2	Deposits of other MFIs	471,3	0,1	222,6	693,9
					Deposits of central government	1299,7	13,7	309,4	1622,7
					Two-week MNB bills held by residents <sup>1</sup>	4532,3	0,0	-20,5	4511,7
					Two-week MNB bills held by non residents <sup>1</sup>	385,2	0,0	54,5	439,7
					External liabilities <sup>2</sup>	454,2	12,7	10,6	477,6
					Remaining liabilities	809,8	206,7	-35,6	980,8
<b>Total assets</b>	<b>11000,7</b>	<b>233,2</b>	<b>594,2</b>	<b>11828,1</b>	<b>Total liabilities</b>	<b>11000,7</b>	<b>233,2</b>	<b>594,2</b>	<b>11828,1</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.

<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\\_20130529\\_EN.pdf](http://english.mnb.hu/Root/Dokumentumtar/ENMNB/Monetaris_politika/mnben_jegybanki_eszkozatar/mnben_eszkozatar_tenderek/nhp_swap_tajekoztato_20130529_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.

**MAGYAR NEMZETI BANK**  
DIRECTORATE STATISTICS

*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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