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PRESS RELEASE

Preliminary statistical balance sheet of the MNB: November 2015

In November 2015, forint liquidity of the domestic banking sector fell, mainly reflecting a decline in two-week deposits and an increase in three-month deposits. The average and end-of-month stocks of external assets both rose relative to October. The overnight interbank interest rate fluctuated near the central bank base rate throughout most of the month.

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 2015	Nov 2015	Monthly changes	Liabilities	Oct 2015	Nov 2015	Monthly changes
External assets	10276,6	10570,6	294,0	Currency in circulation	4159,7	4204,8	45,1
One and Two-week and Three and Six-month loans of credit institutions ⁵	226,0	118,2	-107,8	Current account balances of other MFIs	512,7	613,4	100,7
Swap claims on foreign currency with credit institutions ¹	0,0	0,0	0,0	Overnight deposits of other MFIs	19,2	26,7	7,5
Swap claims on foreign currency related to Pillar 3 of the Funding for Growth Scheme with credit institutions ^{1,2}	149,7	150,2	0,5	Two-week deposits of other MFIs	2611,4	1861,1	-750,3
Swap claims on HUF related to foreign currency sale tender for the settlement and conversation of FX loans with credit institutions ^{1,3}	1959,4*	1887,9	-71,6	Three-month deposits of other MFIs ⁶	1374,5	2017,9	643,4
Remaining assets ⁴	1715,7	1898,1	182,4	Other deposits of other MFIs	100,8	82,8	-17,9
				Deposits of central government	1728,9	1925,0	196,0
				Foreign liabilities	530,1	559,7	29,6
				Swap liabilities to HUF with credit institutions ¹	0,0	0,0	0,0
				Swap liabilities to HUF related to Pillar 3 of the Funding for Growth Scheme with credit institutions ^{1,2}	149,7	150,2	0,5
				Swap liabilities to foreign currency related to euro sale tender for the settlement and conversation of FX loans with credit institutions ^{1,3}	1959,4*	1887,9	-71,6
				Remaining liabilities	1181,2	1295,7	114,5
Total assets	14327,4	14625,0	297,5	Total liabilities	14327,4	14625,0	297,5

¹ 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 swaps related to euro sale tender for the settlement and conversation of FX loans on a gross basis. (See the Methodological notes.)

² 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 the table.

³ Includes the average stocks of Swiss franc sale tenders, in addition to those of euro sale tenders. 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>.

⁴ Includes loans offered to credit institutions under the Funding for Growth Scheme. <http://www.mnb.hu/en/monetary-policy/funding-for-growth-scheme-fgs>.

⁵ From September 2015, includes the stocks of loans allotted at one-week and three-month loan tenders introduced on 25 September 2015, replacing two-week and six-month loans.

⁶ From 23 September, the three-month deposit has been the MNB's new policy instrument.

* Change due to data revision.

In November, forint liquidity of the banking sector fell, which was reflected a decline in the average stock of credit institutions' two-week deposits and an increase in the average stocks of overnight and three-month deposits.

The average of credit institutions' current account balances rose significantly relative to the previous month, due to the choice by certain credit institutions of a higher reserve ratio¹ from 1 November.²

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

The average stock of swap transactions related to the settlement and forint conversion of household foreign currency loans is contained in Table 1 and Chart 8 of the chart-pack.³

The average and end-of-month stocks of external assets, including international reserves, rose in November. This was mainly accounted for by the receipt of transfers from the European Commission.

The average stock of other assets rose, reflecting in part the increase in the stock of loans granted under the Funding for Growth Scheme.

The monthly average of the banking sector's current account balances with the MNB slightly exceeded reserve requirements. Excess reserves amounted to HUF 2.89 billion, which was moderate compared with the sector's total reserve requirements of HUF 610.50 billion (Charts 1 and 2 of the chart-pack).

The overnight interbank rate fluctuated near central bank base rate throughout most of November, before approaching the bottom of the interest rate corridor (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 2015

HUF billions									
Assets	Opening stocks	Revaluations and other changes	Transactions	Closing stocks	Liabilities	Opening stocks	Revaluations and other changes	Transactions	Closing stocks
External assets	10299,8	161,1	225,0	10685,9	Currency in circulation	4157,7	0,0	70,7	4228,4
Remaining assets	1964,8	15,9	63,2	2044,0	Other deposits of other MFIs	612,6	0,1	259,5	872,2
					Three-month deposits of other MFIs	1713,5	0,0	588,3	2301,8
					Two-week deposits of other MFIs	2174,9	0,0	-727,8	1447,1
					Deposits of central government	1925,6	4,2	136,6	2066,3
					External liabilities	540,7	13,3	12,3	566,4
					Remaining liabilities	1139,6	159,4	-51,3	1247,7
Total assets	12264,6	177,0	288,2	12729,8	Total liabilities	12264,6	177,0	288,2	12729,8

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¹ The increase in account balances caused by the choice of higher reserve ratios is temporary, as MNB Decree 46/2015. (XI.11.) requires credit institutions to hold reserves at a fixed, uniform ratio of 2 per cent from 1 December 2015, replacing the flexible reserve requirement system.

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.

³ Includes the stock of FX swaps entered into at the Swiss franc sale tender, in addition to the euro sale tender.

The seasonally adjusted data, published simultaneously with this press release in the [chart pack](#) and in the tables entitled '[Monetary statistics](#)', are subject to more uncertainty than usual, due to fluctuations caused by the financial crisis.

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Detailed tables: [Time series](#)

Notes: [Methodological notes](#)

Charts: [Chart pack](#)

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