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## PRESS RELEASE

### Preliminary statistical balance sheet of the MNB: September 2017

*In September, forint liquidity of the domestic banking sector fell, which was reflected in declines in the average stocks of credit institutions' overnight deposits, three-month deposits and other deposits. The average stock of currency in circulation continued to rise during the month. The average stock of external assets fell slightly and their end-of-month stock rose modestly relative to August. The overnight interbank interest rate fluctuated in the lower bound of the interest rate corridor throughout 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	August 2017	September 2017	Monthly changes	Liabilities	August 2017	September 2017	Monthly changes
External assets	7 468,5	7 455,8	-12,6	Currency in circulation	4 810,1	4 839,8	29,8
One-week and Three-month loans of credit institutions	22,6	3,5	-19,1	Current account balances of other MFIs	199,7	193,0	-6,7
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>	94,9	88,9	-6,1	Overnight deposits of other MFIs <sup>7</sup>	922,8	911,5	-11,2
Swap claims on HUF related to forint liquidity providing EUR/HUF FX swap <sup>1,2</sup>	929,0	964,5	35,5	Three-month deposits of other MFIs <sup>5</sup>	485,5	395,0	-90,5
Other swap claims on foreign currency with credit institutions <sup>1</sup>	0,0	0,0	0,0	Other deposits of other MFIs	85,5	77,3	-8,2
Remaining assets <sup>4,6</sup>	1 794,7	1 760,8	-34,0	Deposits of central government <sup>8</sup>	981,5	928,8	-52,7
				External liabilities	827,5	819,2	-8,3
				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>	94,9	88,9	-6,1
				Swap liabilities to foreign currency related to forint liquidity providing EUR/HUF FX swap <sup>1,2</sup>	929,0	964,5	35,5
				Other swap liabilities to HUF with credit institutions <sup>1</sup>	0,0	0,0	0,0
				Remaining liabilities <sup>6,8</sup>	973,3	1 055,5	82,2
<b>Total assets</b>	<b>10 309,7</b>	<b>10 273,5</b>	<b>-36,3</b>	<b>Total liabilities</b>	<b>10 309,7</b>	<b>10 273,5</b>	<b>-36,3</b>

<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.

<sup>7</sup> The stock of overnight deposits also includes the stock of preferential deposits.

<sup>8</sup> Funds increasing the security of financial investments have been reclassified from the sector of other financial corporations into the sector of central government from the end of July 2017 onwards (see the Methodological notes).

The average stock of **external assets** was practically unchanged and their end-of-month stock slightly increased, due mainly to the depreciation of the forint. The maturity of swaps related to the conversion of household foreign currency loans into forints led to an only slight reduction in their average and end-of-month stocks.

The stock of **one-week loans**, disbursed to credit institutions by the MNB, fell in September.

In September, the MNB concluded further one, three, six and twelve-month transactions with credit institutions at the EUR/HUF FX swap tenders providing forint liquidity. As a result, the stock of swaps continued to increase. The average stocks of swap transactions are shown in Table 1 and Chart 7 of the chart-pack.

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

The monthly average of the banking sector's **current account** balances with the MNB exceeded reserve requirements by HUF 6.6 billion. In September, reserve requirements amounted to HUF 186.4 billion (see Charts 1 and 2 of the chart-pack).

In September, **forint liquidity of the domestic banking sector** fell: the average stocks of credit institutions' overnight, three-month and other deposits all declined. The average monthly stock of three-month deposits has been declining steadily from month to month as a result of the introduction of a quantity limit on the instrument in October 2016.

The average stock of **central government deposits** fell during the month.

The average stock of **external liabilities** fell slightly and their end-of-month stock increased modestly, primarily due to the depreciation of the forint exchange rate.

The **overnight interbank interest rate** fluctuated in the bottom half of the interest rate corridor throughout September. With effect from 20 September, the MNB reduced the interest rate on the overnight central bank deposit by 10 basis points. The interest rate is now 1.05 percentage points below the central bank base rate (see Chart 11 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 – September 2017**

HUF billions									
Assets	Opening stocks	Revaluations and other changes	Transactions	Closing stocks	Liabilities	Opening stocks	Revaluations and other changes	Transactions	Closing stocks
External assets	7 436,4	138,4	-55,8	7 519,0	Currency in circulation	4 815,0	0,0	38,5	4 853,5
Remaining assets	1 664,8	-8,4	-25,3	1 631,1	Three-month deposits of other MFIs	450,0	0,0	-150,0	300,0
					Other deposits of other MFIs	1 225,4	0,1	11,5	1 237,0
					Deposits of central government <sup>1</sup>	1 090,3	6,0	-21,5	1 074,7
					External liabilities	751,8	15,7	-0,1	767,3
					Remaining liabilities <sup>1</sup>	768,8	108,2	40,5	917,5
<b>Total assets</b>	<b>9 101,2</b>	<b>130,0</b>	<b>-81,1</b>	<b>9 150,1</b>	<b>Total liabilities</b>	<b>9 101,2</b>	<b>130,0</b>	<b>-81,1</b>	<b>9 150,1</b>

<sup>1</sup> Funds increasing the security of financial investments have been reclassified from the sector of other financial corporations into the sector of central government from the end of July 2017 onwards (see the Methodological notes).

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Detailed tables: [Time series](#)

Notes: [Methodological notes](#)

Charts: [Chart pack](#)

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