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PRESS RELEASE

Preliminary statistical balance sheet of the MNB: May 2015

In May 2015, forint liquidity of the domestic banking sector fell, which was reflected in the lower average stocks of two-week and overnight central bank deposits. The average stocks of external assets and liabilities rose slightly in the month. The overnight interbank interest rate fluctuated around the base rate throughout most of May.

1 Balance sheet of the MNB containing monthly average stocks

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

HUF billions							
Assets	Mar 2015	Apr 2015	Monthly changes	Liabilities	Mar 2015	Apr 2015	Monthly changes
External assets	11 611,8	11 679,1	67,4	Currency in circulation	3 824,7	3 904,4	79,7
Two-week and Six-month loans of credit institutions	0,0	0,0	0,0	Current account balances of other MFIs	509,3	508,4	-0,9
Swap claims on foreign currency with credit institutions ¹	1,4	0,0	-1,4	Overnight deposits of other MFIs	89,9	69,3	-20,6
Swap claims on foreign currency related to Pillar 3 of the Funding for Growth Scheme with credit institutions ^{1,2}	174,1	159,2	-14,9	Two-week deposits of other MFIs	5 542,5	5 265,0	-277,5
Swap claims on HUF related to euro sale tender for the settlement and conversation of FX loans with credit institutions ^{1,3}	2 525,3	2 479,6	-45,7	Other deposits of other MFIs	177,2	148,1	-29,1
Remaining assets ⁴	1 586,6	1 590,9	4,2	Deposits of central government	1 501,5	1 730,9	229,4
				Foreign liabilities	564,7	623,4	58,7
				Swap liabilities to HUF with credit institutions ¹	1,4	0,0	-1,4
				Swap liabilities to HUF related to Pillar 3 of the Funding for Growth Scheme with credit institutions ^{1,2}	174,1	159,2	-14,9
				Swap liabilities to foreign currency related to euro sale tender for the settlement and conversation of FX loans with credit institutions ^{1,3}	2 525,3	2 479,6	-45,7
				Remaining liabilities	988,6	1 020,4	31,9
Total assets	15 899,2	15 908,9	9,6	Total liabilities	15 899,2	15 908,9	9,6

¹ 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 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 For more information see the website: Notice on euro sale tender of the settlement and conversation of FX loans.

<http://www.mnb.hu/en/monetary-policy/monetary-policy-instruments/tenders-quick-tenders/fx-spot-tenders>

⁴ Includes loans offered to credit institutions within Funding for Growth Scheme. For more details, see:

<http://www.mnb.hu/letoltes/fgs2-utilization-07-07-2015.pdf>

In May, forint liquidity of the banking sector fell, due to decreases in the average stocks of two-week and overnight deposits.

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

The average stock of external assets, and within that international reserves, rose slightly, while their end-of-month stock increased significantly due to transactions. The increase in the forint value of international reserves at the end of the month mainly reflected the effects of exchange rate depreciation and the transfers received from the European Commission. By contrast, the government's foreign currency interest expenditures and other debt management items had the opposite effect.

The effect of the transactions discussed above was also reflected in an increase in the average stock of central government deposits in May.

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.

The monthly average of the banking sector's current account balances with the MNB slightly exceeded reserve requirements.¹ Excess reserves amounted to HUF 2.33 billion, which continued to be moderate compared with the sector's total reserve requirements of HUF 506.1 billion (see Charts 1 and 2 of the chart-pack). The overnight interbank rate fluctuated around the central bank base rate during the most part of May, before falling and approaching the lower bound of the interest rate corridor in the final days of the month (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 – May 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	11 518,9	260,6	59,1	11 838,6	Currency in circulation	3 879,8	0,0	38,7	3 918,5
Remaining assets	1 597,8	10,0	-10,2	1 597,7	Other deposits of other MFIs	736,8	0,5	240,9	978,2
					Two-week deposits of other MFIs	5 324,9	0,0	-351,0	4 973,9
					Deposits of central government	1 707,5	15,0	140,7	1 863,2
					External liabilities	519,3	21,8	43,3	584,3
					Remaining liabilities	948,5	233,3	-63,6	1 118,2
Total assets	13 116,8	270,6	48,9	13 436,3	Total liabilities	13 116,8	270,6	48,9	13 436,3

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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.

¹ 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.

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Detailed tables: [Time series](#)

Notes: [Methodological notes](#)

Charts: [Chart pack](#)

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