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PRESS RELEASE

Preliminary statistical balance sheet of the MNB: August 2015

In August 2015, forint liquidity of the domestic banking sector fell slightly, which was mainly reflected in a decline in the average stock of credit institutions' two-week deposits. The average and end-of-month stocks of external assets both fell slightly relative to the previous month. The overnight interbank interest rate fluctuated near the bottom of the interest rate corridor in August.

1 Balance sheet of the MNB containing monthly average stocks

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

HUF billions							
Assets	Jun 2015	Jul 2015	Monthly changes	Liabilities	Jun 2015	Jul 2015	Monthly changes
External assets	11161,0	10963,8	-197,3	Currency in circulation	4031,5	4104,2	72,7
Two-week and Six-month loans of credit institutions	59,4	62,9	3,5	Current account balances of other MFIs	526,9	517,1	-9,8
Swap claims on foreign currency with credit institutions ¹	0,0	0,0	0,0	Overnight deposits of other MFIs	94,4	93,2	-1,2
Swap claims on foreign currency related to Pillar 3 of the Funding for Growth Scheme with credit institutions ^{1,2}	149,9	149,8	-0,1	Two-week deposits of other MFIs	4573,0	4531,8	-41,3
Swap claims on HUF related to foreign currency sale tender for the settlement and conversation of FX loans with credit institutions ^{1,3}	2063,2	2073,1	9,8	Other deposits of other MFIs	96,0	99,9	3,9
Remaining assets ⁴	1576,3	1665,0	88,6	Deposits of central government	1726,2	1651,0	-75,2
				Foreign liabilities	596,3	559,1	-37,2
				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}	149,9	149,8	-0,1
				Swap liabilities to foreign currency related to euro sale tender for the settlement and conversation of FX loans with credit institutions ^{1,3}	2063,2	2073,1	9,8
				Remaining liabilities	1152,3	1135,3	-17,0
Total assets	15009,8	14914,5	-95,3	Total liabilities	15009,8	14914,5	-95,3

¹ This item includes 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 Also includes loans extended to credit institutions under the Funding for Growth Scheme (FGS). For more information on the FGS, see: <http://www.mnb.hu/letoltes/fgs2-utilization-07-07-2015.pdf>.

In August, forint liquidity of the banking sector fell slightly, which was mainly reflected in a decline in the average stock of credit institutions' two-week deposits and partly in the fall in that of overnight deposits.

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

In August 2015, the MNB held a spot Swiss franc sale tender,¹ combined with an FX swap facility, related to the forint conversion of household non-mortgage foreign currency and foreign currency-denominated loans. 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.²

The average and end-of-month stocks of external assets, and within that international reserves, fell. Foreign currency allocated at the MNB's Swiss franc sale tender, discussed above, partly contributed to the decline in international reserves. However, banks used the foreign currency allocated at the tender to enter into one-week FX swaps with the MNB and, consequently, the foreign currency remained part of reserves until the end of the August. Items of the Debt Management Agency related to debt management also contributed to the reduction in reserves.

A number of factors, including lending to the Depositor Protection Fund and the rise in loans extended under the FGS, contributed to an increase in the average stock of other assets.

The monthly average of the banking sector's current account balances with the MNB slightly exceeded reserve requirements.³ Excess reserves amounted to HUF 3.28 billion, which continued to be moderate compared with the sector's total reserve requirements of HUF 513.83 billion (Charts 1 and 2 of the chart-pack). The overnight interbank rate fluctuated near the bottom of the interest rate corridor in August (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 – August 2015

milliárd forint

Eszközök	Nyitó- állomány	Átértéke- lődés és egyéb változás	Tranzakció	Záró- állomány	Források	Nyitó- állomány	Átértéke- lődés és egyéb változás	Tranzakció	Záró- állomány
Külföldi követelések	11 052,8	148,8	-308,7	10 892,9	Forgalomban lévő készpénz	4 054,6	0,0	57,3	4 111,9
Egyéb	1 721,8	16,6	29,0	1 767,4	Hitelintézetek egyéb betétei	723,5	0,1	65,5	789,1
					Hitelintézetek kéthetes betétei	4 552,7	0,0	-135,4	4 417,3
					Központi kormányzat betétei	1 731,4	14,2	-178,4	1 567,2
					Külföldi kötelezettségek	622,0	4,2	-66,1	560,1
					Egyéb	1 090,4	146,9	-22,4	1 214,9
Összesen	12 774,6	165,4	-279,6	12 660,4	Összesen	12 774,6	165,4	-279,6	12 660,4

¹ More information on spot Swiss franc sale tender combined with an FX swap facility, related to the forint conversion of household non-mortgage foreign currency and foreign currency-denominated loans is available at the following link <http://www.mnb.hu/letoltes/tajekoztato-egyeb-devizahitelek-forintositas-en.pdf>.

² Includes the stock of FX swaps entered into at the Swiss franc sale tender, in addition to the euro sale tender.

³ 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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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.

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Detailed tables: [Time series](#)

Notes: [Methodological notes](#)

Charts: [Chart pack](#)

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