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## PRESS RELEASE

### Preliminary statistical balance sheet of the MNB: July 2015

*In July 2015, forint liquidity of the domestic banking sector fell, which was reflected in a decline in the average stock of credit institutions' two-week deposits. The average stock of external assets declined sharply and their end-of-month stock fell slightly relative to the previous month. The decline in average stocks mainly reflected the carry-over effects of the previous month's events. The overnight interbank interest rate fluctuated near the bottom of the interest rate corridor during most of July.*

#### 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	11612,9	11161,0	-451,9	Currency in circulation	3967,5	4031,5	64,0
Two-week and Six-month loans of credit institutions	35,0	59,4	24,4	Current account balances of other MFIs	516,8	526,9	10,1
Swap claims on foreign currency with credit institutions <sup>1</sup>	0,1	0,0	-0,1	Overnight deposits of other MFIs	95,7	94,4	-1,2
Swap claims on foreign currency related to Pillar 3 of the Funding for Growth Scheme with credit institutions <sup>1,2</sup>	150,1	149,9	-0,3	Two-week deposits of other MFIs	5018,3	4573,0	-445,2
Swap claims on HUF related to euro sale tender for the settlement and conversation of FX loans with credit institutions <sup>1,3</sup>	2318,4	2063,2	-255,2	Other deposits of other MFIs	94,5	96,0	1,5
Remaining assets <sup>4</sup>	1470,5	1576,3	105,8	Deposits of central government	1699,2	1726,2	27,0
				Foreign liabilities	601,8	596,3	-5,5
				Swap liabilities to HUF with credit institutions <sup>1</sup>	0,1	0,0	-0,1
				Swap liabilities to HUF related to Pillar 3 of the Funding for Growth Scheme with credit institutions <sup>1,2</sup>	150,1	149,9	-0,3
				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>	2318,4	2063,2	-255,2
				Remaining liabilities	1124,6	1152,3	27,7
<b>Total assets</b>	<b>15587,0</b>	<b>15009,8</b>	<b>-577,3</b>	<b>Total liabilities</b>	<b>15587,0</b>	<b>15009,8</b>	<b>-577,3</b>

<sup>1</sup> 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.)

<sup>2</sup> 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.

<sup>3</sup> 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>

<sup>4</sup> Includes loans offered to credit institutions under the Funding for Growth Scheme. For more details, see:

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

In July, forint liquidity of the banking sector fell, which was mainly reflected in a decline in the average stock of credit institutions' two-week deposits. The stock of overnight deposits was broadly unchanged in the month.

The average of credit institutions' current account balances rose slightly 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, fell significantly, mainly as a result of carry-over effects of the previous month's events. In June, the maturity and closing out before maturity of swap transactions related to the settlement and conversion into forint of households' foreign currency loans led to a significant reduction in the end-of-month stock of international reserves. In addition, MFB (Hungarian Development Bank Private Limited Company) purchased foreign currency from the MNB to pay the price for Budapest Bank in June, which was another factor causing a reduction in reserves.

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.

A number of factors, including 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.<sup>1</sup> Excess reserves amounted to HUF 5.34 billion, which continued to be moderate compared with the sector's total reserve requirements of HUF 551.53 billion (see Charts 1 and 2 of the chart-pack). The overnight interbank rate fluctuated near the bottom of the interest rate corridor in July, but crossed the level of the base rate marking the centre of the corridor in the second and third weeks 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 – July 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	11299,5	-186,8	-59,9	11052,8	Currency in circulation	3984,3	0,0	70,3	4054,6
Remaining assets	1565,1	35,9	118,8	1719,8	Other deposits of other MFIs	922,1	-0,6	-198,1	723,5
					Two-week deposits of other MFIs	4366,3	0,0	186,5	4552,7
					Deposits of central government	1727,2	-14,3	18,6	1731,4
					External liabilities	612,1	-5,6	15,5	622,0
					Remaining liabilities	1252,7	-130,5	-33,9	1088,3
<b>Total assets</b>	<b>12864,7</b>	<b>-151,0</b>	<b>58,9</b>	<b>12772,6</b>	<b>Total liabilities</b>	<b>12864,7</b>	<b>-151,0</b>	<b>58,9</b>	<b>12772,6</b>

<sup>1</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.

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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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