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PRESS RELEASE

Preliminary statistical balance sheet of the MNB: June 2015

In June 2015, forint liquidity of the domestic banking sector fell. The average stock of external assets fell slightly and their end-of-month stock declined significantly, mainly as a result of the maturity and closing out before maturity of swap transactions related to the settlement and conversion into forint of households' foreign currency loans. The overnight interbank interest rate fluctuated near the bottom of the interest rate corridor throughout most of June.

1 Balance sheet of the MNB containing monthly average stocks

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

HUF billions							
Assets	May 2015	Jun 2015	Monthly changes	Liabilities	May 2015	Jun 2015	Monthly changes
External assets	11685,2	11612,9	-72,2	Currency in circulation	3904,4	3967,5	63,0
Two-week and Six-month loans of credit institutions	0,0	35,0	35,0	Current account balances of other MFIs	508,4	516,8	8,4
Swap claims on foreign currency with credit institutions ¹	0,0	0,1	0,1	Overnight deposits of other MFIs	69,3	95,7	26,4
Swap claims on foreign currency related to Pillar 3 of the Funding for Growth Scheme with credit institutions ^{1,2}	159,2	150,1	-9,1	Two-week deposits of other MFIs	5265,0	5018,3	-246,8
Swap claims on HUF related to euro sale tender for the settlement and conversation of FX loans with credit institutions ^{1,3}	2479,6	2318,4	-161,2	Other deposits of other MFIs	148,1	94,5	-53,6
Remaining assets ⁴	1590,9	1470,6	-120,3	Deposits of central government	1730,9	1699,2	-31,7
				Foreign liabilities	623,4	601,8	-21,6
				Swap liabilities to HUF with credit institutions ¹	0,0	0,1	0,1
				Swap liabilities to HUF related to Pillar 3 of the Funding for Growth Scheme with credit institutions ^{1,2}	159,2	150,1	-9,1
				Swap liabilities to foreign currency related to euro sale tender for the settlement and conversation of FX loans with credit institutions ^{1,3}	2479,6	2318,4	-161,2
				Remaining liabilities	1026,5	1124,7	98,2
Total assets	15914,9	15587,2	-327,8	Total liabilities	15914,9	15587,2	-327,8

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 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 under the Funding for Growth Scheme. For more details, see:

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

In June, forint liquidity of the banking sector fell, reflecting a drop in the average stock of credit institutions' two-week deposits and a smaller increase in the stock of overnight deposits.

The average of credit institutions' current account balances with the central bank 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 slightly, while their end-of-month stock declined significantly due to transactions. Although exchange rate changes caused an increase in the forint value of international reserves, 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 reserves. The purchase of foreign currency by the MFB (Hungarian Development Bank Private Limited Company) to pay the price for Budapest Bank was another factor causing a drop in reserves. In addition, items related to debt management by the ÁKK also led to a further reduction in reserves.

The effect of debt management transactions by the ÁKK was reflected in a decline in the average stock of central government deposits in June.

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 3.54 billion, which continued to be moderate compared with the sector's total reserve requirements of HUF 513.3 billion (see Charts 1 and 2 of the chart-pack). The overnight interbank rate fluctuated near the bottom of the interest rate corridor in June, and crossed the level of the base rate marking the centre of the corridor only for two days (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 – June 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	11838,5	185,6	-724,5	11299,6	Currency in circulation	3918,5	0,0	65,7	3984,3
Remaining assets	1598,3	-7,5	-22,8	1568,1	Other deposits of other MFIs	978,2	0,0	-56,1	922,1
					Two-week deposits of other MFIs	4973,9	0,0	-607,6	4366,3
					Deposits of central government	1863,2	15,3	-151,4	1727,2
					External liabilities	584,3	8,3	19,5	612,1
					Remaining liabilities	1118,8	154,4	-17,5	1255,7
Total assets	13436,8	178,1	-747,3	12867,6	Total liabilities	13436,8	178,1	-747,3	12867,6

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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.

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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