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PRESS RELEASE

Preliminary statistical balance sheet of the MNB: April 2016

In April 2016, forint liquidity of the domestic banking sector declined, which was reflected in falls in overnight, two-week and three-month central bank deposits. The two-week central bank deposit was phased out in the month. The average and end-of-month stocks of external assets and liabilities both fell sharply. The average stock of currency in circulation rose slightly. The overnight interbank interest rate fluctuated near the central bank base rate throughout most of April.

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. 2016	Apr. 2016	Monthly changes	Liabilities	Mar. 2016	Apr. 2016	Monthly changes
External assets	9 990,6	8 790,8	-1 199,8	Currency in circulation	4 272,4	4 282,6	10,2
One-week and Three and Six-month loans of credit institutions ⁵	356,7	372,4	15,7	Current account balances of other MFIs	356,0	382,3	26,3
Swap claims on foreign currency with credit institutions ¹	0,0	0,0	0,0	Overnight deposits of other MFIs	107,3	69,3	-38,0
Swap claims on foreign currency related to Pillar 3 of the Funding for Growth Scheme with credit institutions ^{1,2}	80,3	46,2	-34,1	Two-week deposits of other MFIs	635,3	271,5	-363,8
Swap claims on HUF related to foreign currency sale tender for the settlement and conversation of FX loans with credit institutions ^{1,3}	1 414,5	889,9	-524,6	Three-month deposits of other MFIs ⁶	2 959,8	2 324,7	-635,2
Remaining assets ^{4,7}	1 604,1	1 591,9	-12,2	Other deposits of other MFIs	100,2	70,3	-29,9
				Deposits of central government	1 319,8	1 254,2	-65,6
				Foreign liabilities	789,9	759,9	-30,1
				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}	80,3	46,2	-34,1
				Swap liabilities to foreign currency related to euro sale tender for the settlement and conversation of FX loans with credit institutions ^{1,3}	1 414,5	889,9	-524,6
				Remaining liabilities ⁷	1 410,7	1 340,4	-70,3
Total assets	13 446,3	11 691,2	-1 755,0	Total liabilities	13 446,3	11 691,2	-1 755,0

¹ Includes the overnight, one-week, two-week, three-month and EUR/HUF central bank FX-swaps with credit institutions related to Phase 1 of Pillar 3 of the Funding for Growth Scheme, as well 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 Phase 1 of 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 Includes loans offered to credit institutions under the Funding for Growth Scheme. <http://www.mnb.hu/en/monetary-policy/funding-for-growth-scheme-fgs>.

⁵ In September 2015, loans allotted at one-week and three-month loan tenders were introduced, replacing two-week and six-month loans. In the case of six-month loans, the Table contains the outstanding amounts of loans extended earlier.

⁶ From 23 September, the three-month deposit has been the MNB's new policy instrument.

⁷ 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.

The average stock of **external assets**, including international reserves, fell considerably in April. This mainly reflected the maturity of central bank FX swaps conducted in connection with the conversion of household foreign currency loans into forints, the repayment of the last tranche of a loan received from the EU in 2008 and the carry-over effect of foreign currency transactions by the GDMA.

The average stock of swap transactions related to the settlement and forint conversion of household foreign currency loans is shown in Table 1 and Chart 8 of the chart-pack.¹

The **average stock of lending** to credit institutions rose further in April.

The **average stock of currency in circulation** rose slightly during the month (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 a higher-than-usual amount of HUF 32.4 billion. In April, reserve requirements amounted to HUF 349.8 billion (Charts 1 and 2 of the chart-pack).

The declines in the average stocks of **overnight, two-week and three-month deposits** reflected the fall in the banking sector's forint liquidity. Two two-week deposit facility was phased out in April.

The average stock of **central government deposits** fell in April relative to the previous month.

The **overnight interbank rate** fluctuated near the central bank base rate throughout most of the month (Chart 12 of the chart-pack). In April, the MNB reduced the central bank base rate by 15 basis points. The interest rate on the overnight collateralised loan was lowered by the same amount and the interest rate on the overnight deposits was left unchanged. As a result of the change in interest rate conditions, the interest rate corridor narrowed further.

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 – April 2016

HUF billions

Assets	Opening stocks	Revaluations and other changes	Transactions	Closing stocks	Liabilities	Opening stocks	Revaluations and other changes	Transactions	Closing stocks
External assets	9 255,6	10,7	-422,8	8 843,5	Currency in circulation	4 256,9	0,0	32,2	4 289,1
Remaining assets	2 143,9	-7,2	-236,2	1 900,5	Three-month deposits of other MFIs	2 559,3	0,0	-231,6	2 327,7
					Two-week deposits of other MFIs	220,3	0,0	-220,3	0,0
					Other deposits of other MFIs	666,5	-0,2	-39,7	626,6
					Deposits of central government	1 204,8	-3,9	335,6	1 536,5
					External liabilities	793,3	-3,8	-19,1	770,4
					Remaining liabilities	1 698,4	11,3	-516,1	1 193,7
Total assets	11 399,5	3,5	-659,0	10 744,0	Total liabilities	11 399,5	3,5	-659,0	10 744,0

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MAGYAR NEMZETI BANK
DIRECTORATE STATISTICS

¹ Includes the stock of FX swaps entered into at the Swiss franc sale tender, in addition to the euro sale tender.

Detailed tables: [Time series](#)

Notes: [Methodological notes](#)

Charts: [Chart pack](#)

Contact information:

Phone: + 36 (1) 428-2750

Fax: + 36 (1) 429-8000

Email: sajto@mnbb.hu