



## PRESS RELEASE

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### Preliminary statistical balance sheet of the MNB: August 2016

*In August 2016, the forint liquidity of the banking sector decreased. This downward shift was also reflected in recourse to the central bank deposit instruments, and the decline in demand for the three-month deposit facility exceeded the total increase in the use of the rest of the deposit instruments. The average stock of currency in circulation continued to rise somewhat during the month. The average and end-of-month stocks of external assets and external liabilities both declined in August. The overnight interbank interest rate resided below the central bank base rate almost throughout the entire month, except in the last few days when the O/N rate rose above the base rate.*

#### 1 Balance sheet of the MNB containing monthly average stocks

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

Assets				Liabilities	HUF billions		
	July 2016	Aug 2016	Monthly changes		July 2016	Aug 2016	Monthly changes
External assets	8 425,4	8 198,0	-227,4	Currency in circulation	4 467,2	4 473,4	6,2
One-week and Three-month loans of credit institutions <sup>4</sup>	168,0	144,6	-23,4	Current account balances of other MFIs	383,1	396,5	13,4
Swap claims on foreign currency with credit institutions <sup>1</sup>	0,0	0,0	0,0	Overnight deposits of other MFIs	102,7	136,9	34,3
Swap claims on HUF related to foreign currency sale tender for the settlement and conversation of FX loans with credit institutions <sup>1,2</sup>	650,4	641,8	-8,6	Three-month deposits of other MFIs <sup>5</sup>	1 645,6	1 554,3	-91,3
Remaining assets <sup>3,6</sup>	1 647,1	1 693,2	46,1	Other deposits of other MFIs	76,6	103,1	26,5
				Deposits of central government	1 318,2	1 298,5	-19,7
				External liabilities	898,1	827,4	-70,7
				Swap liabilities to HUF with credit institutions <sup>1</sup>	0,0	0,0	0,0
				Swap liabilities to foreign currency related to euro sale tender for the settlement and conversation of FX loans with credit institutions <sup>1,2</sup>	650,4	641,8	-8,6
				Remaining liabilities <sup>6</sup>	1 349,0	1 245,6	-103,4
<b>Total assets</b>	<b>10 890,9</b>	<b>10 677,6</b>	<b>-213,3</b>	<b>Total liabilities</b>	<b>10 890,9</b>	<b>10 677,6</b>	<b>-213,3</b>

<sup>1</sup> Includes the overnight, one-week, two-week, three-month swaps and swaps related to euro sale tender for the settlement and conversion of FX loans on a gross basis (see the Methodological notes).

<sup>2</sup> A notice on EUR and CHF sale tenders related to the settlement and conversion 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/fix-spot-tenders>.

<sup>3</sup> Includes loans offered to credit institutions under the FGS. <http://www.mnb.hu/en/monetary-policy/funding-for-growth-scheme-fgs>.

<sup>5</sup> From 23 September, the three-month deposit has been the MNB's new policy instrument.

<sup>6</sup> 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 and end-of-month stock of **external assets** both decreased in August. The decline in the average stock mainly reflected the strengthening of the forint exchange rate.

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.

The average stock of **lending** to credit institutions fell in August. The average stock of one-week loans to banks contracted, while the average stock of three-month loans increased somewhat during the period.

The **average stock of currency in circulation** increased slightly during the month (see: Table 1 and Chart 5 of the chart-pack).

At HUF 52.0 billion, the monthly average of the banking sector's **current account balances** with the MNB exceeded reserve requirements to a slightly greater extent than in the previous month. In August, reserve requirements amounted to HUF 344.4 billion (see: Charts 1 and 2 of the chart-pack).

The rise in the average stock of **overnight deposits** and the sharper fall in the average stock of **three-month deposits** reflected the decline observed in the banking sector's forint liquidity.

The downward shift in the average stock of **central bank deposits** compared to July was the net result of two opposing changes: while EU transfers received in August pointed to an increase, the contraction was primarily caused by the carry-over effect of a foreign currency bond maturing in July.

The fall in the average and end-of-month stocks of **external liabilities** mainly reflected the lower level of mark-to-market deposits.

For the most part in August, the **overnight interbank rate** resided below the central bank base rate, except in the last few days of the month when it rose above the level of the base rate (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 – August 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	8295,6	-65,5	-134,7	8095,4	Currency in circulation	4469,6	0,0	-6,0	4463,6
Remaining assets	1851,2	14,6	-11,3	1854,5	Three-month deposits of other MFIs	1705,3	0,0	74,9	1780,2
					Other deposits of other MFIs	515,0	-0,1	17,8	532,6
					Deposits of central government	1384,8	-2,8	-105,4	1276,6
					External liabilities	881,4	-5,8	-70,9	804,7
					Remaining liabilities	1190,7	-42,1	-56,5	1092,1
Total assets	10146,8	-50,9	-146,0	9950,0	Total liabilities	10146,8	-50,9	-146,0	9950,0

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Detailed tables: [Time series](#)

Notes: [Methodological notes](#)

Charts: [Chart pack](#)

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