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## PRESS RELEASE

### Preliminary statistical balance sheet of the MNB: August 2017

*In August, forint liquidity of the domestic banking sector rose, which was mainly reflected in an increase in the average stock of credit institutions' overnight deposits. The average stock of currency in circulation continued to rise during the month. The average stock of external assets fell relative to July, while their end-of-month stock rose slightly. The overnight interbank interest rate fluctuated in the lower bound of the interest rate corridor throughout the month.*

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

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

HUF billions							
Assets	July 2017	August 2017	Monthly changes	Liabilities	July 2017	August 2017	Monthly changes
External assets	7 586,1	7 468,5	-117,7	Currency in circulation	4 796,3	4 810,1	13,8
One-week loans of credit institutions	4,5	22,6	18,1	Current account balances of other MFIs	191,6	199,7	8,1
Swap claims on HUF related to foreign currency sale tender for the settlement and conversation of FX loans with credit institutions <sup>1,3</sup>	95,7	94,9	-0,8	Overnight deposits of other MFIs <sup>7</sup>	877,7	922,8	45,1
Swap claims on HUF related to forint liquidity providing EUR/HUF FX swap <sup>1,2</sup>	852,4	929,0	76,7	Three-month deposits of other MFIs <sup>5</sup>	500,0	485,5	-14,5
Other swap claims on foreign currency with credit institutions <sup>1</sup>	0,0	0,0	0,0	Other deposits of other MFIs	95,3	85,5	-9,8
Remaining assets <sup>4,6</sup>	1 806,6	1 794,7	-11,8	Deposits of central government	1 045,0	972,4	-72,7
				External liabilities	850,8	827,5	-23,3
				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>	95,7	94,9	-0,8
				Swap liabilities to foreign currency related to forint liquidity providing EUR/HUF FX swap <sup>1,2</sup>	852,4	929,0	76,7
				Other swap liabilities to HUF with credit institutions <sup>1</sup>	0,0	0,0	0,0
				Remaining liabilities <sup>6</sup>	1 040,6	982,4	-58,1
Total assets	10 345,3	10 309,7	-35,6	Total liabilities	10 345,3	10 309,7	-35,6

<sup>1</sup> This item includes FX-swaps with credit institutions on a gross basis. (See the Methodological notes.)

<sup>2</sup> A notice on Forint liquidity providing EUR/HUF FX swap is available on the MNB's website at <http://www.mnb.hu/letoltes/t-c-forint-liquidity-providing-swap-en.pdf>

<sup>3</sup> 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>

<sup>4</sup> Includes loans offered to credit institutions within Funding for Growth Scheme.

<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 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.

<sup>7</sup> The stock of overnight deposits also includes the stock of preferential deposits.

As a result of the strengthening of the forint exchange rate, the average stock of **external assets** fell primarily reflecting the carry-over effect of the decline in foreign currency reserves at the end of July. The end-of-month stock slightly increased in August.

The stock of **one-week loans** disbursed to credit institutions by the MNB continued to rise during the month.

In August, the MNB concluded one-, three-, six- and twelve-month transactions with credit institutions at the EUR/HUF FX swap tenders providing forint liquidity. The average stocks of swap transactions are shown in Table 1 and Chart 7 of the chart-pack.

The **average stock of currency in circulation** continued to rise during the month (see 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 HUF 11.8 billion, which is more than the usual amount. In August, reserve requirements amounted to HUF 187.9 billion (see Charts 1 and 2 of the chart-pack).

In August, **forint liquidity of the domestic banking sector** continued to rise, which was reflected in declines in the average stocks of credit institutions' three-month and other deposits and a larger increase in the average stock of overnight deposits. The average monthly stock of three-month deposits has been declining steadily from month to month as a result of the introduction of a quantity limit on the instrument in October 2016.

The average stocks of **central government deposits** fell during the month.

Both the average and end-of-month stocks of **external liabilities** fell, primarily due to the strengthening of the forint exchange rate.

The **overnight interbank interest rate** fluctuated in the bottom half of the interest rate corridor throughout August. (see Charts 11 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 2017**

HUF billions

Assets	Opening stocks	Revaluations and other changes	Transactions	Closing stocks	Liabilities	Opening stocks	Revaluations and other changes	Transactions	Closing stocks
External assets	7 390,5	-11,8	57,7	7 436,4	Currency in circulation	4 790,3	0,0	24,7	4 815,0
Remaining assets	1 681,8	51,5	-68,8	1 664,5	Three-month deposits of other MFIs	500,0	0,0	-50,0	450,0
					Other deposits of other MFIs	1 161,1	0,0	64,3	1 225,4
					Deposits of central government	1 069,0	2,1	14,2	1 085,3
					External liabilities	783,9	-0,3	-31,9	751,8
					Remaining liabilities	768,1	37,9	-32,5	773,5
Total assets	9 072,4	39,7	-11,2	9 100,9	Total liabilities	9 072,4	39,7	-11,2	9 100,9

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**MAGYAR NEMZETI BANK**  
DIRECTORATE STATISTICS

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](mailto:sajto@mnbb.hu)