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PRESS RELEASE

Preliminary statistical balance sheet of the MNB: July 2016

In July 2016, forint liquidity of the domestic banking sector fell, which was reflected in declines in the average stocks of overnight and three-month central bank deposits. The average stock of currency in circulation continued to rise in the month. The average stock of external assets rose slightly and their end-of-month stock fell in July. The average and end-of-month stocks of external liabilities both rose. The overnight interbank interest rate fluctuated below the central bank base rate 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	June 2016	July 2016	Monthly changes	Liabilities	June 2016	July 2016	Monthly changes
External assets	8 407,3	8 425,4	18,1	Currency in circulation	4 403,4	4 467,2	63,8
One-week and Three-month loans of credit institutions ⁴	213,9	168,0	-45,9	Current account balances of other MFIs	390,0	383,1	-6,9
Swap claims on foreign currency with credit institutions ¹	0,0	0,0	0,0	Overnight deposits of other MFIs	194,5	102,7	-91,8
Swap claims on HUF related to foreign currency sale tender for the settlement and conversation of FX loans with credit institutions ^{1,2}	764,0	650,4	-113,6	Three-month deposits of other MFIs ⁵	1 717,3	1 645,6	-71,7
Remaining assets ^{3,6}	1 623,6	1 644,7	21,1	Other deposits of other MFIs	84,4	76,6	-7,8
				Deposits of central government	1 372,8	1 318,2	-54,6
				Foreign liabilities	773,5	898,1	124,6
				Swap liabilities to HUF with credit institutions ¹	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 ^{1,2}	764,0	650,4	-113,6
				Remaining liabilities ⁶	1 308,9	1 346,6	37,6
Total assets	11 008,8	10 888,5	-120,3	Total liabilities	11 008,8	10 888,5	-120,3

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

² 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>.

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

⁴ 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.

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

⁶ 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** rose slightly and their end-of-month stock fell relative to June. The decline at the end of the month mainly reflected the maturity of a euro-denominated foreign currency bond issued by the GDMA. This was offset by transfers received from the European Commission.

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 July. The average stock of one-week loans to banks fell, while the average stock of three-month loans increased during the period.

The **average stock of currency in circulation** continued to rise during the month (Table 1 and Chart 5 of the chart-pack).

At HUF 42.4 billion, the monthly average of the banking sector's **current account balances** with the MNB exceeded reserve requirements by a slightly smaller amount than in the previous month. In July, reserve requirements amounted to HUF 340.6 billion (Charts 1 and 2 of the chart-pack).

The declines in the average stocks of **overnight** and **three-month deposits** reflected the fall in the banking sector's forint liquidity.

The average stock of **central government deposits** fell relative to the previous month. This mainly reflected the fact that the GDMA financed the repayment of its maturing euro-denominated bond from its deposits with the MNB.

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

The **overnight interbank rate** fluctuated below the central bank base rate throughout July (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 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	8461,8	-115,9	-50,3	8295,6	Currency in circulation	4435,8	0,0	33,8	4469,6
Remaining assets	1779,5	30,2	39,9	1849,6	Three-month deposits of other MFIs	1689,5	0,0	15,9	1705,3
					Other deposits of other MFIs	577,9	-0,5	-62,5	515,0
					Deposits of central government	1352,6	-5,4	37,6	1384,8
					External liabilities	850,6	-12,2	43,0	881,4
					Remaining liabilities	1335,0	-67,7	-78,2	1189,1
Total assets	10241,3	-85,7	-10,4	10145,2	Total liabilities	10241,3	-85,7	-10,4	10145,2

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Detailed tables: [Time series](#)

Notes: [Methodological notes](#)

Charts: [Chart pack](#)

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