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PRESS RELEASE

Preliminary statistical balance sheet of the MNB: March 2017

In March 2017, forint liquidity of the domestic banking sector grew, mainly reflecting an increase in the average stock of credit institutions' overnight deposits. The average stock of currency in circulation also rose slightly during the month. The average stock of external assets was broadly unchanged relative to the previous month, while their end-of-month stock decreased modestly. The overnight interbank interest rate fluctuated in the lower bound of the interest rate corridor throughout March.

1 Balance sheet of the MNB containing monthly average stocks

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

HUF billions							
Assets	Feb. 2017	Mar. 2017	Monthly changes	Liabilities	Feb. 2017	Mar. 2017	Monthly changes
External assets	8 350,8	8 360,9	10,1	Currency in circulation	4 594,8	4 621,3	26,5
One-week and Three-month loans of credit institutions	7,5	10,2	2,7	Current account balances of other MFIs	189,7	187,5	-2,2
Swap claims on HUF related to foreign currency sale tender for the settlement and conversation of FX loans with credit institutions ^{1,3}	333,8	240,8	-93,0	Overnight deposits of other MFIs	557,6	775,4	217,8
Swap claims on HUF related to forint liquidity providing EUR/HUF FX swap ^{1,2}	337,4	480,2	142,7	Three-month deposits of other MFIs ⁵	875,0	795,1	-79,8
Other swap claims on foreign currency with credit institutions ¹	0,0	0,0	0,0	Other deposits of other MFIs	96,0	62,4	-33,6
Remaining assets ^{4,6}	1 815,7	1 814,0	-1,7	Deposits of central government	1 868,1	1 714,6	-153,5
				External liabilities	795,5	823,2	27,6
				Swap liabilities to foreign currency related to euro sale tender for the settlement and conversation of FX loans with credit institutions ^{1,3}	333,8	240,8	-93,0
				Swap liabilities to foreign currency related to forint liquidity providing EUR/HUF FX swap ^{1,2}	337,4	480,2	142,7
				Other swap liabilities to HUF with credit institutions ¹	0,0	0,0	0,0
				Remaining liabilities ⁶	1 197,3	1 205,7	8,4
Total assets	10 845,2	10 906,1	60,8	Total liabilities	10 845,2	10 906,1	60,8

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

² 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>

³ 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 within Funding for Growth Scheme.

⁵ <http://www.mnb.hu/en/monetary-policy/funding-for-growth-scheme-fgs>

⁶ From 23 September, the three-month deposit has been the MNB's 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** increased marginally in March, while the end-of-month stock decreased slightly. The decrease in the end-of-month stock of external assets reflected the maturity of swap transactions related to the forint conversion of household foreign currency loans and the foreign currency payments made by the state, which was only partly offset by the increase in the stock of swap transactions providing forint liquidity.

The average stock of **one-week loans** to credit institutions rose slightly in March.

The **average stock of currency in circulation** rose further 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 HUF 3.6 billion, a slightly smaller amount than in the previous months. In March, reserve requirements amounted to HUF 183.9 billion (Charts 1 and 2 of the chart-pack).

The **banking sector's forint liquidity** rose in March, which was mainly driven by an increase in the average stock of credit institutions' overnight deposits and a more modest fall in the average stocks of three-month and other deposits. The stock of three-month deposits is declining steadily from month to month as a result of the introduction of a quantity limit on the instrument in October 2016.

The average and end-of-month stocks of **central government deposits** both fell during the month. The decrease in the average stock was due in part to the carry-over effect of the maturity of government securities of significant amounts at the end of February.

The average stock of **external liabilities** increased a little relative to the previous month.

The **overnight interbank rate** fluctuated near the lower bound of the interest rate corridor throughout March (Chart 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 – March 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	8 372,0	-8,0	-204,9	8 159,1	Currency in circulation	4 580,6	0,0	30,4	4 610,9
Remaining assets	1 749,1	21,2	20,4	1 790,7	Three-month deposits of other MFIs	875,0	0,0	-125,0	750,0
					Other deposits of other MFIs	897,9	0,0	187,2	1 085,1
					Deposits of central government	2 016,3	1,3	-267,9	1 749,7
					External liabilities	745,2	-1,7	9,9	753,4
					Remaining liabilities	1 006,1	13,6	-19,0	1 000,7
Total assets	10 121,1	13,2	-184,5	9 949,8	Total liabilities	10 121,1	13,2	-184,5	9 949,8

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Detailed tables: [Time series](#)

Notes: [Methodological notes](#)

Charts: [Chart pack](#)

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