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PRESS RELEASE

Preliminary statistical balance sheet of the MNB: May 2017

In May, forint liquidity of the domestic banking sector fell, which was reflected in the decline in the average stock of credit institutions' overnight and three-month deposits. The average stock of currency in circulation continued to rise during the month. The average stock of external assets fell relative to April. 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	Apr. 2017	May 2017	Monthly changes	Liabilities	Apr. 2017	May 2017	Monthly changes
External assets	8 279,2	7 984,5	-294,7	Currency in circulation	4 693,9	4 726,4	32,5
One-week and Three-month loans of credit institutions	7,0	0,0	-7,0	Current account balances of other MFIs	187,7	190,3	2,7
Swap claims on HUF related to foreign currency sale tender for the settlement and conversation of FX loans with credit institutions ^{1,3}	153,3	152,5	-0,8	Overnight deposits of other MFIs ⁷	658,9	481,5	-177,4
Swap claims on HUF related to forint liquidity providing EUR/HUF FX swap ^{1,2}	551,5	646,7	95,2	Three-month deposits of other MFIs ⁵	745,8	686,3	-59,5
Other swap claims on foreign currency with credit institutions ¹	0,0	0,0	0,0	Other deposits of other MFIs	82,5	93,2	10,7
Remaining assets ^{4,6}	1 836,5	1 845,3	8,8	Deposits of central government	1 694,2	1 648,3	-45,9
				External liabilities	769,7	820,7	51,0
				Swap liabilities to foreign currency related to euro sale tender for the settlement and conversation of FX loans with credit institutions ^{1,3}	153,3	152,5	-0,8
				Swap liabilities to foreign currency related to forint liquidity providing EUR/HUF FX swap ^{1,2}	551,5	646,7	95,2
				Other swap liabilities to HUF with credit institutions ¹	0,0	0,0	0,0
				Remaining liabilities ⁶	1 290,1	1 183,1	-107,0
Total assets	10 827,4	10 628,9	-198,5	Total liabilities	10 827,4	10 628,9	-198,5

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.

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

⁵ 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.

⁷ The stock of overnight deposits also includes the stock of preferential deposits.

The average and end-of-month stock of **external assets** fell in May. The decrease was partly caused by the maturity of a GBP-denominated bond at the beginning of May issued by the GDMA, and partly by exchange rate changes.

The average stock of **one-week lending** to credit institutions fell to zero.

In May, 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 stock of swap transactions under the tender is 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)

At HUF 3.6 billion, the monthly average of the banking sector's current **account** balances with the MNB exceeded reserve requirements by the usual amount. In May, reserve requirements amounted to HUF 186.7 billion (see Charts 1 and 2 of the chart-pack).

In May, **forint liquidity of the domestic banking sector** fell, which was reflected in the decline in the average stock of credit institutions' overnight and three-month deposits and in a more modest rise in the average stocks of 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 stocks of **central government deposits** fell slightly during the month.

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

The **overnight interbank interest rate** fluctuated in the lower bound of the interest rate corridor throughout May. (See 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 – May 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	8 228,0	-190,6	-120,9	7 916,5	Currency in circulation	4 710,3	0,0	0,2	4 710,5
Remaining assets	1 782,0	64,7	-119,4	1 727,2	Three-month deposits of other MFIs	725,0	0,0	-150,0	575,0
					Other deposits of other MFIs	819,5	-0,1	168,5	987,8
					Deposits of central government	1 946,1	-5,7	-255,7	1 684,7
					External liabilities	786,6	-20,3	16,8	783,1
					Remaining liabilities	1 022,6	-99,8	-20,0	902,7
Total assets	10 010,0	-125,9	-240,3	9 643,8	Total liabilities	10 010,0	-125,9	-240,3	9 643,8

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Detailed tables: [Time series](#)

Notes: [Methodological notes](#)

Charts: [Chart pack](#)

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