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PRESS RELEASE

Preliminary statistical balance sheet of the MNB: September 2016

In September 2016, forint liquidity of the domestic banking sector fell in net terms. The average stock of currency in circulation fell slightly in the month. The average and end-of-month stocks of external assets declined in September. The overnight interbank interest rate fluctuated near the central bank base rate throughout most of the month, but for one day it crossed the interest rate on the overnight collateralised loan, marking the upper bound of the central bank interest rate corridor.

1 Balance sheet of the MNB containing monthly average stocks

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

		HUF billions					
Assets	Aug 2016	Sept 2016	Monthly changes	Liabilities	Aug 2016	Sept 2016	Monthly changes
External assets	8 197,9	8 116,0	-82,0	Currency in circulation	4 473,4	4 452,4	-21,0
One-week and Three-month loans of credit institutions	144,6	287,4	142,8	Current account balances of other MFIs	396,5	363,3	-33,2
Swap claims on foreign currency with credit institutions ¹	0,0	0,0	0,0	Overnight deposits of other MFIs	136,9	28,7	-108,2
Swap claims on HUF related to foreign currency sale tender for the settlement and conversation of FX loans with credit institutions ^{1,2}	641,8	600,1	-41,7	Three-month deposits of other MFIs ⁴	1 554,3	1 767,4	213,2
Remaining assets ^{3,5}	1 692,8	1 850,5	157,7	Other deposits of other MFIs	103,1	147,9	44,8
				Deposits of central government	1 298,5	1 444,1	145,5
				External liabilities	827,4	867,4	40,0
				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}	641,8	600,1	-41,7
				Remaining liabilities ⁵	1 245,2	1 182,6	-62,6
Total assets	10 677,2	10 854,0	176,9	Total liabilities	10 677,2	10 854,0	176,9

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

⁵ 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.

Both the average and end-of-month stocks of **external assets** fell in September, with most of the decline affecting international reserves. The fall in the average stock of external assets mainly reflected the appreciation of the forint exchange rate and in part the maturity of FX swap transactions related to the forint conversion of household foreign currency loans.

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 rose in September. The average stock of one-week loans to banks increased, while the average stock of three-month loans fell by a smaller margin than the increase in the former during the period.

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

At HUF 17.2 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 September, reserve requirements amounted to HUF 346.1 billion (Charts 1 and 2 of the chart-pack).

The average stock of **overnight deposits** fell and the average stock of **three-month deposits** increased relative to the previous month. The MNB held the last of its tenders for the three-month deposits with no quantity limit in September. As a result, the average stock of sterilisation instruments increased to exceed previous levels. In net terms, however, the banking sector's forint liquidity fell, as credit institutions financed a large part of their deposits by borrowing from the central bank. In addition, the deposit tender held in September coincided with the maturity in Q3 of swaps under euro sale tenders related to the conversion of foreign currency loans into forints, discussed above. This, in turn, narrowed the banking sector's forint liquidity.

The average stock of **central government deposits** increased in September.

The average stock of **external liabilities** also increased relative to August.

The **overnight interbank rate** fluctuated near the central bank base rate throughout September, but for one day it crossed the interest rate on the overnight collateralised loan, marking the upper bound of the interest rate corridor (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 – September 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	8 095,4	1,7	-165,7	7 931,4	Currency in circulation	4 463,6	0,0	-16,3	4 447,3
Remaining assets	1 854,1	1,7	590,6	2 446,4	Three-month deposits of other MFIs	1 780,2	0,0	-15,1	1 765,1
					Other deposits of other MFIs	532,6	0,0	108,1	640,7
					Deposits of central government	1 276,6	-0,7	363,7	1 639,7
					External liabilities	804,7	-3,4	1,9	803,2
					Remaining liabilities	1 091,7	7,5	-17,4	1 081,9
Total assets	9 949,6	3,4	424,9	10 377,9	Total liabilities	9 949,6	3,4	424,9	10 377,9

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Detailed tables: [Time series](#)

Notes: [Methodological notes](#)

Charts: [Chart pack](#)

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