



11 October 2018

PRESS RELEASE

Preliminary statistical balance sheet of the MNB: September 2018

In September, forint liquidity of the domestic banking sector fell, which was mainly reflected in a decrease in the average stock of overnight deposits. The average stock of currency in circulation continued to rise in the month. The average stock of external assets fell relative to August. The overnight interbank interest rate fluctuated at the bottom of the interest rate corridor throughout the month.

I. Balance sheet of the MNB containing monthly average stocks.

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

| | | HUF billions | | | | | |
|---|-----------------|-----------------|--------------------|---|-----------------|-----------------|--------------------|
| Assets | Aug. 2018 | Sept. 2018 | Monthly changes | Liabilities | Aug. 2018 | Sept. 2018 | Monthly changes |
| External assets | 8 547,9 | 8 472,0 | -76,0 | Currency in circulation | 5 768,6 | 5 810,1 | 41,5 |
| One-week loans of credit institutions | 0,0 | 0,0 | 0,0 | Current account balances of other MFIs | 236,2 | 236,6 | 0,4 |
| Swap claims on HUF related to forint liquidity providing EUR/HUF FX swap ^{1,2} | 2 044,9 | 2 051,6 | 6,6 | Overnight deposits of other MFIs ⁵ | 1 033,1 | 873,4 | -159,8 |
| Other swap claims on foreign currency with credit institutions ¹ | 0,0 | 0,0 | 0,0 | Three-month deposits of other MFIs ⁴ | 75,0 | 75,0 | 0,0 |
| Remaining assets ^{3,5,7} | 1 515,4 | 1 532,8 | 17,5 | Other deposits of other MFIs | 6,0 | 11,5 | 5,4 |
| | | | | Deposits of central government | 946,5 | 1 011,6 | 65,1 |
| | | | | External liabilities | 830,8 | 853,4 | 22,6 |
| | | | | Swap liabilities to foreign currency related to forint liquidity providing EUR/HUF FX swap ^{1,2} | 2 044,9 | 2 051,6 | 6,6 |
| | | | | Other swap liabilities to HUF with credit institutions ¹ | 0,0 | 0,0 | 0,0 |
| | | | | Remaining liabilities ⁵ | 1 167,0 | 1 133,3 | -33,7 |
| Total assets | 12 108,2 | 12 056,4 | -51,9 | Total liabilities | 12 108,2 | 12 056,4 | -51,9 |

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 Includes loans offered to credit institutions within Funding for Growth Scheme.

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

⁴ From 23 September 2015, the three-month deposit has been the MNB's 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.

⁶ The stock of overnight deposits also includes the stock of preferential deposits.

⁷ Includes the stock of mortgage bonds, held by the MNB, which were issued by domestic mortgage banks.

The average and end-of-month stocks of **external assets** fell in September. The decline in end-of-month closing stocks partly reflect the strengthening of the forint exchange rate in September; however, the decrease in average stocks was tempered by the depreciation of the monthly average exchange rate.

No new contracts were concluded at the one-week loan tender in September.

The MNB concluded one, three, six and twelve-month transactions with credit institutions at the **EUR/HUF FX swap tenders providing forint liquidity**. In September the level of expiring swap transactions was almost fully renewed. The average stocks of swap transactions are shown in Table 1 and Chart 5 of the chart-pack.

The **average stock of currency in circulation** continued to rise during the month (see Table 1 and Chart 4 of the chart-pack).

The monthly average of the banking sector's **current account** balances with the MNB exceeded reserve requirements by HUF 16.7 billion, which is a similar amount to the one in the previous month. In September, reserve requirements amounted to HUF 220.0 billion (see Chart 1 of the chart-pack).

In September, **forint liquidity of the domestic banking sector** fell: the average stock of credit institutions' overnight deposits fell sharply, while there was a modest increase in the stocks of other deposits. The stock of three-month deposits remained unchanged.

The average and end-of-month stock of **central government deposits** rose during the month.

The average stocks of **external liabilities** rose in September.

The **average interest rate on overnight interbank loans** fluctuated at the bottom of the interest rate corridor throughout the month.

II. 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 2018

| HUF billions | | | | | | | | | |
|------------------|----------------|--------------------------------|--------------|----------------|------------------------------------|----------------|--------------------------------|--------------|----------------|
| Assets | Opening stocks | Revaluations and other changes | Transactions | Closing stocks | Liabilities | Opening stocks | Revaluations and other changes | Transactions | Closing stocks |
| External assets | 8 554,7 | -100,4 | -138,3 | 8 316,0 | Currency in circulation | 5 784,1 | 0,0 | 27,8 | 5 811,9 |
| Remaining assets | 1 551,3 | 20,6 | 36,3 | 1 608,2 | Three-month deposits of other MFIs | 75,0 | 0,0 | 0,0 | 75,0 |
| | | | | | Other deposits of other MFIs | 1 147,7 | 0,0 | -264,6 | 883,1 |
| | | | | | Deposits of central government | 1 123,2 | -2,3 | 200,8 | 1 321,7 |
| | | | | | External liabilities | 842,4 | -2,9 | -59,7 | 779,8 |
| | | | | | Remaining liabilities | 1 133,6 | -74,6 | -6,3 | 1 052,8 |
| Total assets | 10 106,0 | -79,8 | -102,0 | 9 924,2 | Total liabilities | 10 106,0 | -79,8 | -102,0 | 9 924,2 |

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MAGYAR NEMZETI BANK
DIRECTORATE STATISTICS

Detailed tables: [Time series](#)

Notes: [Methodological notes](#)

Charts: [Chart pack](#)

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