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PRESS RELEASE

Preliminary statistical balance sheet of the MNB: April 2015

In April 2015, forint liquidity of the banking sector rose, which was mainly reflected in the higher average stock of two-week deposits. The average stocks of external assets and liabilities rose modestly in the month. In April, the MNB held two foreign currency tenders for credit institutions to close out part of their unconditional swaps entered into at tenders related to the settlement and forint conversion of household foreign currency loans before maturity.

1 Balance sheet of the MNB containing monthly average stocks

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

HUF billions							
Assets	Mar 2015	Apr 2015	Monthly changes	Liabilities	Mar 2015	Apr 2015	Monthly changes
External assets	11582,0	11611,8	29,7	Currency in circulation	3778,2	3824,7	46,5
Two-week and Six-month loans of credit institutions	0,0	0,0	0,0	Current account balances of other MFIs	512,5	510,5	-2,0
Swap claims on foreign currency with credit institutions ¹	30,0	1,4	-28,6	Overnight deposits of other MFIs	239,3	89,9	-149,4
Swap claims on foreign currency related to Pillar 3 of the Funding for Growth Scheme with credit institutions ^{1,2}	176,2	174,1	-2,2	Two-week deposits of other MFIs	5158,6	5542,5	383,9
Swap claims on HUF related to euro sale tender for the settlement and conversation of FX loans with credit institutions ^{1,3}	2696,9	2525,3	-171,6	Other deposits of other MFIs	177,5	177,2	-0,3
Remaining assets ⁴	1546,8	1586,6	39,8	Deposits of central government	1634,4	1501,5	-132,9
				Foreign liabilities	514,3	564,7	50,4
				Swap liabilities to HUF with credit institutions ¹	30,0	1,4	-28,6
				Swap liabilities to HUF related to Pillar 3 of the Funding for Growth Scheme with credit institutions ^{1,2}	176,2	174,1	-2,2
				Swap liabilities to foreign currency related to euro sale tender for the settlement and conversation of FX loans with credit institutions ^{1,3}	2696,9	2525,3	-171,6
				Remaining liabilities	1114,2	987,4	-126,7
Total assets	16032,0	15899,2	-132,8	Total liabilities	16032,0	15899,2	-132,8

¹ This item includes the overnight, one-week, two-week, three-month- and EUR/HUF central bank FX-swaps with credit institutions related to Pillar 3 of the Funding for Growth Scheme, and swap related to euro sale tender for the settlement and conversation of FX loans on a gross basis. (See the Methodological notes.)

² The euro liquidity-providing FX swap tender, introduced under Pillar 3 of the Funding for Growth Scheme, was terminated on 1 July 2014. The monthly average amounts of FX swaps outstanding are shown in the table.

³ For more information see the website: Notice on euro sale tender of the settlement and conversation of FX loans.

<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.

In April, forint liquidity of the banking sector rose, due mainly to an increase in the average stock of two-week deposits and a slight fall in the average stock of overnight deposits.

The average of credit institutions' current account balances with the central bank fell slightly relative to the previous month. The average stock of currency in circulation rose (see Table 1 and Chart 5 of the chart-pack).

The average stock of central government deposits fell in April.

The average stock of external assets, and within that international reserves, changed slightly, while their end-of-month stock rose due to transactions. The increase in international reserves reflected the transfers received from the European Commission and the maturity of swap transactions providing foreign currency liquidity for credit institutions. By contrast, the maturity of part of conditional swaps related to the settlement and forint conversion of household foreign currency loans and the close-out of part of unconditional swaps before maturity reduced international reserves.

The average stock of swap transactions related to the settlement and forint conversion of household foreign currency loans is contained in Table 1 and Chart 8 of the chart-pack. On 13 and 20 April, the MNB held two foreign currency tenders for credit institutions to close out their unconditional swaps maturing in March 2016 at the latest by selling up to 20 per cent of the amount of foreign currency purchased at tenders related to the settlement and forint conversion of household foreign currency loans. The close-out of foreign currency swaps before maturity contributed to a reduction in the average stock of swaps entered into at euro sale tenders related to the settlement and forint conversion of household foreign currency loans.

The monthly average of the banking sector's current account balances with the MNB slightly exceeded reserve requirements.¹ Excess reserves amounted to HUF 6.54 billion, which continued to be moderate compared with the sector's total reserve requirements of HUF 503.9 billion (see Charts 1 and 2 of the chart-pack). The overnight interbank rate stayed near the lower bound of the interest rate corridor for two-thirds of April, and then crossed the level of the central bank base rate on 21 April. It fluctuated around the central bank base rate in the final third of the month (see 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 – April 2015

HUF billions									
Assets	Opening stocks	Revaluations and other changes	Transactions	Closing stocks	Liabilities	Opening stocks	Revaluations and other changes	Transactions	Closing stocks
External assets	11359,7	24,4	134,8	11359,7	Currency in circulation	3783,5	0,0	96,3	3879,8
Remaining assets	1613,1	0,5	-16,1	1613,1	Other deposits of other MFIs	1177,7	0,3	-440,0	738,0
					Two-week deposits of other MFIs	4830,5	0,0	494,4	5324,9
					Deposits of central government	1657,0	8,8	41,7	1707,5
					External liabilities	523,5	-8,8	4,5	519,3
					Remaining liabilities	1000,6	24,6	-78,2	947,0
Total assets	12972,8	24,9	118,8	13116,4	Total liabilities	12972,8	24,9	118,8	13116,4

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¹ Decree 13/2010. (IX.6.) of the Magyar Nemzeti Bank entered into force on 1 October 2010. The Decree allows credit institutions subject to reserve requirements to choose one of the reserve ratios specified in Article 1 (2) at most semi-annually. In the absence of such a choice, the lowest ratio will apply to required reserves, as specified in the Decree.

The seasonally adjusted data, published simultaneously with this press release in the [chart pack](#) and in the tables entitled '[Balance sheets of MFIs and the monetary aggregates](#)', are subject to more uncertainty than usual, due to fluctuations caused by the financial crisis.

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Detailed tables: [Time series](#)

Notes: [Methodological notes](#)

Charts: [Chart pack](#)

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