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PRESS RELEASE

Preliminary statistical balance sheet of the MNB: October 2015

In October 2015, forint liquidity of the domestic banking sector fell, resulting from a decline in two-week deposits and an increase in three-month deposits. The average and end-of-month stocks of external assets both fell slightly relative to September. The overnight interbank interest rate fluctuated near the bottom of the interest rate corridor throughout most of October.

1 Balance sheet of the MNB containing monthly average stocks

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

HUF billions							
Assets	Sep 2015	Oct 2015	Monthly changes	Liabilities	Sep 2015	Oct 2015	Monthly changes
External assets	10613,8	10276,6	-337,2	Currency in circulation	4128,0	4159,7	31,7
One and two-week and three and six-month loans of credit institutions ⁵	116,0	226,0	110,0	Current account balances of other MFIs	512,2	512,7	0,5
Swap claims on foreign currency with credit institutions ¹	0,0	0,0	0,0	Overnight deposits of other MFIs	28,1	19,2	-9,0
Swap claims on foreign currency related to Pillar 3 of the Funding for Growth Scheme with credit institutions ^{1,2}	150,6	149,7	-0,9	Two-week deposits of other MFIs	4290,0	2611,4	-1678,6
Swap claims on HUF related to foreign currency sale tender for the settlement and conversation of FX loans with credit institutions ^{1,3}	2070,4	1912,1	-158,3	Three-month deposits of other MFIs ⁶	92,1	1374,5	1282,4
Remaining assets ⁴	1714,9	1715,6	0,7	Other deposits of other MFIs	105,8	100,8	-5,0
				Deposits of central government	1562,8	1728,9	166,1
				Foreign liabilities	528,4	530,1	1,7
				Swap liabilities to HUF with credit institutions ¹	0,0	0,0	0,0
				Swap liabilities to HUF related to Pillar 3 of the Funding for Growth Scheme with credit institutions ^{1,2}	150,6	149,7	-0,9
				Swap liabilities to foreign currency related to euro sale tender for the settlement and conversation of FX loans with credit institutions ^{1,3}	2070,4	1912,1	-158,3
				Remaining liabilities	1197,2	1181,1	-16,2
Total assets	14665,7	14280,1	-385,7	Total liabilities	14665,7	14280,1	-385,7

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 Includes the average stocks of Swiss franc sale tenders, in addition to those of euro sale tenders. 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 under the Funding for Growth Scheme. <http://www.mnb.hu/en/monetary-policy/funding-for-growth-scheme-fgs>.

⁵ From September 2015, includes the stocks of loans allotted at one-week and three-month loan tenders introduced on 25 September 2015, replacing two-week and six-month loans.

⁶ From 23 September, the three-month deposit has been the MNB's new policy instrument.

In October, forint liquidity of the banking sector fell, reflecting a decline in the average stock of two-week deposits and an increase in the average stock of three-month deposits.

The average of credit institutions' current account balances was unchanged relative to the previous month. The average stock of currency in circulation continued to rise (Table 1 and Chart 5 of the chart-pack).

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.¹

The average and end-of-month stocks of external assets, including international reserves, fell in October. This was mainly accounted for by the maturity of swap transactions related to the settlement and forint conversion of household foreign currency loans and their closing out before maturity as well as items of the Debt Management Agency related to debt management. This fall was partly offset by the receipt of transfers from the EU. Central government deposits increased, reflecting the receipt of EU funding in the month.

A number of factors, including lending to the Depositor Protection Fund and the rise in loans extended under the FGS, contributed to the change in the average stock of other assets.

The monthly average of the banking sector's current account balances with the MNB slightly exceeded reserve requirements.² Excess reserves amounted to HUF 2.48 billion, which was moderate compared with the sector's total reserve requirements of HUF 510.21 billion (Charts 1 and 2 of the chart-pack).

The overnight interbank rate fluctuated near the bottom of the interest rate corridor throughout most of October (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 – October 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	10416,5	-45,6	-71,0	10299,8	Currency in circulation	4141,3	0,0	16,4	4157,7
Remaining assets	1997,8	9,5	-45,0	1962,4	Other deposits of other MFIs	910,1	0,0	-297,5	612,6
					Three-month deposits of other MFIs	835,7	0,0	877,8	1713,5
					Two-week deposits of other MFIs	3129,4	0,0	-954,4	2174,9
					Deposits of central government	1643,5	-9,5	291,6	1925,6
					External liabilities	558,2	-0,9	-16,6	540,7
					Remaining liabilities	1196,1	-25,7	-33,2	1137,2
Total assets	12414,3	-36,1	-116,0	12262,2	Total liabilities	12414,3	-36,1	-116,0	12262,2

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¹ Includes the stock of FX swaps entered into at the Swiss franc sale tender, in addition to the euro sale tender.

² 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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