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PRESS RELEASE

Preliminary statistical balance sheet of the MNB: January 2017

In January 2017, forint liquidity of the domestic banking sector increased. This is reflected mainly in a rise in the average stock of credit institutions' overnight deposits. The average stock of currency in circulation fell, in line with the seasonal patterns observed around the beginning of the year. The average and end-of-month stocks of external assets both rose slightly in January. The overnight interbank interest rate fluctuated in the lower bound of the interest rate corridor throughout January.

1 Balance sheet of the MNB containing monthly average stocks

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

Assets				Liabilities	HUF billions		
	Dec. 2016	Jan. 2017	Monthly changes		Dec. 2016	Jan. 2017	Monthly changes
External assets	8 280,4	8 369,8	89,4	Currency in circulation	4 654,9	4 567,7	-87,2
One-week and Three-month loans of credit institutions	54,5	16,1	-38,4	Current account balances of other MFIs	179,7	184,7	5,0
Swap claims on HUF related to foreign currency sale tender for the settlement and conversation of FX loans with credit institutions ^{1,3}	461,3	334,4	-127,0	Overnight deposits of other MFIs	598,4	872,2	273,8
Swap claims on HUF related to forint liquidity providing EUR/HUF FX swap ^{1,2}	279,2	241,0	-38,2	Three-month deposits of other MFIs ⁵	923,8	894,3	-29,4
Other swap claims on foreign currency with credit institutions ¹	0,0	0,0	0,0	Other deposits of other MFIs	154,7	139,2	-15,5
Remaining assets ^{4,6}	1 814,1	1 831,0	16,9	Deposits of central government	1 458,6	1 480,8	22,2
				External liabilities	911,1	878,7	-32,4
				Swap liabilities to foreign currency related to euro sale tender for the settlement and conversation of FX loans with credit institutions ^{1,3}	461,3	334,4	-127,0
				Swap liabilities to foreign currency related to forint liquidity providing EUR/HUF FX swap ^{1,2}	279,2	241,0	-38,2
				Other swap liabilities to HUF with credit institutions ¹	0,0	0,0	0,0
				Remaining liabilities ⁶	1 267,9	1 199,3	-68,6
Total assets	10 889,6	10 792,3	-97,3	Total liabilities	10 889,6	10 792,3	-97,3

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.

The average and end-of-month stocks of **external assets** both rose slightly in January 2017. This partly reflected the receipt of transfers from the EU. The decline in the average stock of swap transactions providing forint liquidity and the appreciation of the forint had a downward effect on the average and end-of-month stocks.

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 7 of the chart-pack.

The average stock of one-week and three-month **loans** to credit institutions fell further in January.

Table 1 of the press release and Chart 7 of the chart pack include the average outstanding stock of FX swaps conducted in FX swap tenders providing forint liquidity.

The **average stock of currency in circulation** fell during the month, due in part to seasonality characterising the beginning of the year (Table 1 and Chart 5 of the chart-pack).

The monthly average of the banking sector's **current account balances** with the MNB exceeded reserve requirements by HUF 6.8 billion, broadly in line with previous months. In January, reserve requirements amounted to HUF 177.8 billion (Charts 1 and 2 of the chart-pack).

The **banking sector's forint liquidity** increased in January, which mainly reflected a significant rise in the average stock of credit institutions' overnight deposits and a slight drop in the average stocks of three-month and other deposits. The decline in three-month deposits relative to the previous month reflected the fall in the stock of deposits accepted at the tenders with a quantity limit introduced in October 2016.

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

The average stock of **external liabilities** fell relative to December 2016.

The **overnight interbank rate** fluctuated near the lower bound of the interest rate corridor throughout January (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 – January 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	8 212,6	-3,4	106,9	8 316,1	Currency in circulation	4 594,0	0,0	-50,1	4 543,9
Remaining assets	1 909,7	-18,2	-146,4	1 745,2	Three-month deposits of other MFIs	900,0	0,0	-25,0	875,0
					Other deposits of other MFIs	1 580,0	0,6	-679,4	901,1
					Deposits of central government	1 140,0	-0,4	714,2	1 853,8
					External liabilities	837,0	-1,5	-7,3	828,2
					Remaining liabilities	1 071,3	-20,2	8,1	1 059,2
Total assets	10 122,3	-21,5	-39,5	10 061,3	Total liabilities	10 122,3	-21,5	-39,5	10 061,3

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Detailed tables: [Time series](#)

Notes: [Methodological notes](#)

Charts: [Chart pack](#)

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