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PRESS RELEASE

Preliminary statistical balance sheet of the MNB: June 2017

In June, forint liquidity of the domestic banking sector rose, which was mainly reflected in an increase in the average stock of credit institutions' overnight deposits. The average stock of currency in circulation continued to rise during the month. The average stock of external assets fell relative to May. The overnight interbank interest rate fluctuated in the lower bound of the interest rate corridor throughout the month.

1 Balance sheet of the MNB containing monthly average stocks

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

| Assets | May 2017 | June 2017 | Monthly changes | Liabilities | May 2017 | June 2017 | HUF billions Monthly changes |
|--|-------------|--------------|--------------------|--|-------------|--------------|------------------------------------|
| External assets | 7 984,5 | 7 903,1 | -81,4 | Currency in circulation | 4 726,4 | 4 751,7 | 25,3 |
| One-week and Tree-month loans of credit institutions | 0,0 | 0,0 | 0,0 | Current account balances of other MFIs | 190,3 | 191,0 | 0,7 |
| Swap claims on HUF related to foreign currency sale tender for the settlement and conversation of FX loans with credit institutions ^{1,3} | 152,5 | 133,2 | -19,3 | Overnight deposits of other MFIs ⁷ | 481,5 | 733,5 | 252,1 |
| Swap claims on HUF related to forint liquidity providing EUR/HUF FX swap ^{1,2} | 646,7 | 846,7 | 200,0 | Three-month deposits of other MFIs ⁵ | 686,3 | 550,0 | -136,3 |
| Other swap claims on foreign currency with credit institutions ¹ | 0,0 | 0,0 | 0,0 | Other deposits of other MFIs | 93,2 | 83,2 | -10,0 |
| Remaining assets ^{4,6} | 1 845,3 | 1 846,5 | 1,2 | Deposits of central government | 1 648,4 | 1 456,3 | -192,0 |
| | | | | External liabilities | 820,7 | 830,3 | 9,6 |
| | | | | Swap liabilities to foreign currency related to euro sale tender for the settlement and conversation of FX loans with credit institutions ^{1,3} | 152,5 | 133,2 | -19,3 |
| | | | | Swap liabilities to foreign currency related to forint liquidity providing EUR/HUF FX swap ^{1,2} | 646,7 | 846,7 | 200,0 |
| | | | | Other swap liabilities to HUF with credit institutions ¹ | 0,0 | 0,0 | 0,0 |
| | | | | Remaining liabilities ⁶ | 1 183,1 | 1 153,6 | -29,6 |
| Total assets | 10 629,0 | 10 729,5 | 100,5 | Total liabilities | 10 629,0 | 10 729,5 | 100,5 |

¹This item includes FX-swaps with credit institutions on a gross basis. (See the Methodological notes.)

²A 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>

³A 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>

⁴Includes loans offered to credit institutions within Funding for Growth Scheme.

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

⁵From 23 September, the three-month deposit has been the MNB's policy instrument.

⁶From 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.

⁷The stock of overnight deposits also includes the stock of preferential deposits.

The average and end-of-month stocks of **external assets** fell in June. This decrease partly reflected the maturity of swap transactions related to the forint conversion of households' foreign currency loans and movements in exchange rate in the month.

The average stock of **one-week lending** to credit institutions was zero, as seen in May.

In June, the MNB concluded one-month transactions with credit institutions at the EUR/HUF FX swap tenders providing forint liquidity. The average stocks of swap transactions at the tenders are shown in Table 1 and Chart 7 of the chart-pack.

The **average stock of currency in circulation** continued to rise during the month (see 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 3.6 billion, the same amount as in the previous month. In June, reserve requirements amounted to HUF 187.3 billion (see Charts 1 and 2 of the chart-pack).

In June, **forint liquidity of the domestic banking sector** rose, which was reflected in declines in the average stocks of credit institutions' three-month and other deposits and a larger increase in the average stock of overnight deposits. The stock of three-month deposits has been declining steadily from month to month as a result of the introduction of a quantity limit on the instrument in October 2016.

The average and end-of-month stocks of **central government deposits** fell during the month, due mainly to disbursements of EU funds.

The average stock of **external liabilities** increased slightly and their end-of-month stock fell modestly relative to the previous month.

The **overnight interbank interest rate** fluctuated in the bottom half of the interest rate corridor throughout June (see 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 – June 2017

HUF billions

| Assets | Opening stocks | Revaluations and other changes | Trans- actions | Closing stocks | Liabilities | Opening stocks | Revaluations and other changes | Trans- actions | Closing stocks |
|------------------|----------------|--------------------------------|----------------|----------------|------------------------------------|----------------|--------------------------------|----------------|----------------|
| External assets | 7 916,5 | -46,0 | -16,2 | 7 854,3 | Currency in circulation | 4 710,5 | 0,0 | 51,5 | 4 762,0 |
| Remaining assets | 1 727,7 | 47,8 | -56,0 | 1 719,5 | Three-month deposits of other MFIs | 575,0 | 0,0 | -75,0 | 500,0 |
| | | | | | Other deposits of other MFIs | 987,8 | -0,2 | 320,2 | 1 307,9 |
| | | | | | Deposits of central government | 1 684,9 | 2,2 | -337,4 | 1 349,7 |
| | | | | | External liabilities | 783,1 | -7,4 | -2,9 | 772,8 |
| | | | | | Remaining liabilities | 903,0 | 7,2 | -28,6 | 881,5 |
| Total assets | 9 644,2 | 1,8 | -72,2 | 9 573,8 | Total liabilities | 9 644,2 | 1,8 | -72,2 | 9 573,8 |

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Detailed tables: [Time series](#)

Notes: [Methodological notes](#)

Charts: [Chart pack](#)

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