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PRESS RELEASE

Preliminary statistical balance sheet of the MNB: January 2015

In January 2015, forint liquidity of the banking sector increased, which was mainly reflected in an increase in the average stock of two-week deposits. The average stock of external assets rose in the month, as a result of revaluations due to exchange rate changes as well as EU transfers received and other transactions.

1 Balance sheet of the MNB containing monthly average stocks

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

HUF billions							
Assets	Dec 2014	Jan 2015	Monthly changes	Liabilities	Dec 2014	Jan 2015	Monthly changes
External assets	11017,5	11958,4	940,9	Currency in circulation	3784,7	3742,0	-42,7
Two-week and Six-month loans of credit institutions	0,0	0,0	0,0	Current account balances of other MFIs	526,9	501,1	2,3
Swap claims on foreign currency with credit institutions ¹	256,2	125,2	-131,1	Overnight deposits of other MFIs	94,4	498,8	-1,2
Swap claims on foreign currency related to Pillar 3 of the Funding for Growth Scheme with credit institutions ^{1,2}	180,3	183,9	3,6	Two-week deposits of other MFIs	5049,8	5307,3	257,5
Swap claims on HUF related to foreign currency sale tender for the settlement and conversation of FX loans with credit institutions ^{1,3}	2770,5	2852,2	81,6	Other deposits of other MFIs	129,6	92,1	-37,4
Remaining assets ⁴	1407,1	1399,9	-7,2	Deposits of central government	947,6	1583,7	636,1
				Foreign liabilities	672,1	629,6	-42,5
				Swap liabilities to HUF with credit institutions ¹	256,2	125,2	-131,1
				Swap liabilities to HUF related to Pillar 3 of the Funding for Growth Scheme with credit institutions ^{1,2}	180,3	183,9	3,6
				Swap liabilities to foreign currency related to euro sale tender for the settlement and conversation of FX loans with credit institutions ^{1,3}	2770,5	2582,2	81,6
				Remaining liabilities	1108,4	1362,0	253,6
Total assets	15631,6	16519,5	887,8	Total liabilities	15631,6	16519,5	887,8

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

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.

<http://www.mnb.hu/letoltes/fgs2-utilization-07-07-2015.pdf>

In January, forint liquidity of the banking sector rose as a result of an increase in the average stock of two-week deposits and a slight fall in overnight deposits.

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

The average stock of external assets increased in January 2015, mainly reflecting revaluations due to exchange rate changes as well as EU transfers received and other transactions. The average and end-of-month stocks of central government deposits both increased considerably, as a combined effect of transfers received from the European Commission in January, VAT payments, redemptions and maturities of government securities as well as repayments of loans.

The average stocks of swap transactions entered into at the swap tenders for euro sales combined with a spot transaction, introduced by the MNB in order to cover banks' hedging needs arising from the settlement of household foreign currency loans and conversions of foreign currency loans into forints, are contained in Table 1 and Chart 8 of the chart-pack.

In December, the MNB announced a single two-week, variable rate EUR/HUF FX swap tender, in order to maintain adequate liquidity in the market around the end of the year. The total amount allotted at the tender held on 22 December was EUR 20 million.¹

The monthly average of the banking sector's current account balances with the MNB exceeded reserve requirements by the usual amount.² Excess reserves amounted to HUF 6.6 billion, which continued to be moderate compared with the sector's total reserve requirements of HUF 494.5 billion (see Charts 1 and 2 of the chart-pack). The overnight interbank rate fluctuated near the lower bound of the interest rate corridor throughout January, but, on occasions, it approached the centre of the corridor defined by the central bank base rate (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 – January 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	11185,6	120,2	899,8	12205,6	Currency in circulation	3749,1	0,0	-4,4	3744,7
Remaining assets	1451,7	49,1	-32,1	1468,6	Other deposits of other MFIs	930,2	-0,2	-290,2	639,8
					Two-week deposits of other MFIs	5083,4	0,0	62,7	5146,0
					Deposits of central government	988,3	-11,8	1205,9	2182,3
					External liabilities	684,7	12,8	-59,8	637,7
					Remaining liabilities	1201,6	168,5	-46,5	1323,6
Total assets	12637,2	169,3	867,6	13674,2	Total liabilities	12637,2	169,3	867,6	13674,2

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¹ The tender documentation is available on the MNB's website at:

<http://www.mnb.hu/letoltes/tajekoztato-egyeb-devizahitelek-forintositas-en.pdf>

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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