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PRESS RELEASE

Preliminary statistical balance sheet of the MNB: January 2016

In January 2016, forint liquidity of the domestic banking sector fell, mainly reflecting increases in overnight and three-month deposits and a decline in two-week deposits. The average stock of external assets fell and their end-of-month stock increased compared with the previous month. The average stock of currency in circulation fell from the high level characterising the month of December. The overnight interbank interest rate fluctuated near the central bank base rate throughout most of January.

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. 2015	Jan. 2016	Monthly changes	Liabilities	Dec. 2015	Jan. 2016	Monthly changes
External assets	10425,7	10112,8	-312,9	Currency in circulation	4356,9	4309,7	-47,2
One-week and Three and Six-month loans of credit institutions ⁵	201,3	104,4	-97,0	Current account balances of other MFIs	363,1	363,7	0,7
Swap claims on foreign currency with credit institutions ¹	9,1	22,8	13,7	Overnight deposits of other MFIs	61,4	108,2	46,8
Swap claims on foreign currency related to Pillar 3 of the Funding for Growth Scheme with credit institutions ^{1,2}	149,2	114,4	-34,9	Two-week deposits of other MFIs	1244,9	951,5	-293,4
Swap claims on HUF related to foreign currency sale tender for the settlement and conversation of FX loans with credit institutions ^{1,3}	1867,1	1844,6	-22,5	Three-month deposits of other MFIs ⁶	2948,0	3016,2	68,2
Remaining assets ⁴	1948,7	1593,7	-355,0	Other deposits of other MFIs	80,5	70,3	-10,2
				Deposits of central government	1622,1	1138,7	-483,4
				Foreign liabilities	613,6	525,6	-87,9
				Swap liabilities to HUF with credit institutions ¹	9,1	22,8	13,7
				Swap liabilities to HUF related to Pillar 3 of the Funding for Growth Scheme with credit institutions ^{1,2}	149,2	114,4	-34,9
				Swap liabilities to foreign currency related to euro sale tender for the settlement and conversation of FX loans with credit institutions ^{1,3}	1867,1	1844,6	-22,5
				Remaining liabilities	1285,3	1327,0	41,6
Total assets	14601,1	13792,7	-808,4	Total liabilities	14601,1	13792,7	-808,4

¹ 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 swaps 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 In September 2015, loans allotted at one-week and three-month loan tenders were introduced, replacing two-week and six-month loans. In the case of six-month loans, the Table contains the outstanding amounts of loans extended earlier.

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

In January, **forint liquidity of the banking sector** fell, which was reflected in increases in the average stocks of overnight and three-month deposits and a decline in the average stock of two-week deposits greater than the increase in overnight and three-month deposits.

The **average stock of currency in circulation** fell from the high level characterising the end of 2015 (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 shown in Table 1 and Chart 8 of the chart-pack.¹

The end-of-month stock of **external assets**, including international reserves, increased in January, while their average stock fell, reflecting the carry-over effect of the decline in international reserves in December. The increase in the end-of-month stock of external assets reflected in part the maturity of EUR/HUF FX swaps concluded at the end of 2015. The amount corresponding to the foreign currency allocated earlier was transferred back into reserves.

The average stock of **other assets** fell significantly, also reflecting in large part the carry-over effect of the December events, for example, the reduction in the stock of Hungarian foreign currency-denominated bonds purchased earlier.

The decline in the average stock of **central government deposits** also reflected the carry-over effect of the decline at the end of December.

The monthly average of the banking sector's **current account balances** with the MNB slightly exceeded reserve requirements. Excess reserves amounted to HUF 1.51 billion, which was moderate compared with the sector's total reserve requirements of HUF 362.24 billion (Charts 1 and 2 of the chart-pack).

The **overnight interbank rate** fluctuated near the central bank base rate throughout most of January. It approached the bottom of the interest rate corridor for a few days at the beginning of the month before rising above the base rate, also for a few days, in the second half of the month (Chart 12 of the chart-pack).

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

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 2016

HUF billions

Assets	Opening stocks	Revaluations and other changes	Transactions	Closing stocks	Liabilities	Opening stocks	Revaluations and other changes	Transactions	Closing stocks
External assets	9845,9	-9,1	286,6	10123,4	Currency in circulation	4318,4	0,0	-27,6	4290,8
Remaining assets	1693,0	76,5	3,8	1773,2	Other deposits of other MFIs	862,4	0,3	-259,9	602,8
					Three-month deposits of other MFIs	2986,8	0,0	28,8	3015,6
					Two-week deposits of other MFIs	958,1	0,0	-217,0	741,1
					Deposits of central government	659,6	-1,2	837,1	1495,5
					External liabilities	552,2	-2,2	-1,1	548,9
					Remaining liabilities	1201,5	70,5	-70,0	1201,9
Total assets	11538,9	67,4	290,4	11896,6	Total liabilities	11538,9	67,4	290,4	11896,6

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MAGYAR NEMZETI BANK DIRECTORATE STATISTICS

Detailed tables: [Time series](#)

Notes: [Methodological notes](#)

Charts: [Chart pack](#)

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