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PRESS RELEASE

Preliminary statistical balance sheet of the MNB: December 2018

In December, forint liquidity of the domestic banking sector rose, which was mainly reflected in an increase in the average stock of overnight deposits. The average stock of currency in circulation continued to rise in the month. The average stock of external assets increased relative to November. The overnight interbank interest rate fluctuated at the bottom 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

HUF billions							
Assets	Nov. 2018	Dec. 2018	Monthly changes	Liabilities	Nov. 2018	Dec. 2018	Monthly changes
External assets	8 668,7	9 100,5	431,8	Currency in circulation	5 888,4	6 078,2	189,8
One-week loans of credit institutions	0,0	0,0	0,0	Current account balances of other MFIs	272,3	258,7	-13,6
Swap claims on HUF related to forint liquidity providing EUR/HUF FX swap ^{1,2}	2 011,2	2 005,4	-5,8	Overnight deposits of other MFIs ⁶	767,8	919,4	151,6
Other swap claims on foreign currency with credit institutions ¹	0,0	0,0	0,0	Three-month deposits of other MFIs ⁴	41,7	14,5	-27,2
Remaining assets ^{3,5,7}	1 584,9	1 701,9	116,9	Other deposits of other MFIs	46,6	129,5	82,9
				Deposits of central government	1 143,7	1 135,9	-7,8
				External liabilities	850,7	846,6	-4,1
				Swap liabilities to foreign currency related to forint liquidity providing EUR/HUF FX swap ^{1,2}	2 011,2	2 005,4	-5,8
				Other swap liabilities to HUF with credit institutions ¹	0,0	0,0	0,0
				Remaining liabilities ⁵	1 242,5	1 419,6	177,0
Total assets	12 264,8	12 807,8	543,0	Total liabilities	12 264,8	12 807,8	543,0

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

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

⁴ From 19 December 2018 the minimum reserves is the key policy instrument of the MNB - instead of the three-month MNB deposit.

⁵ 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.

⁶ The stock of overnight deposits also includes the stock of preferential deposits.

⁷ Includes the stock of mortgage bonds, held by the MNB, which were issued by domestic mortgage banks.

The average and end-of-month stocks of **external assets** both rose, mainly due to transfers from the EU and, to a lesser extent, to the issuance of foreign currency bonds by the Government Debt Management Agency. The appreciation of the forint exchange rate had a downward effect on the end-of-month stock of external assets.

No new contracts were concluded at the **one-week loan tender** in December.

The MNB concluded one, three, six and twelve-month transactions with credit institutions at the **EUR/HUF FX swap tenders providing forint liquidity**. In December, expiring swap transactions were fully renewed. The average stocks of swap transactions are shown in Table 1 and Chart 5 of the chart-pack.

The **average stock of currency in circulation** continued to rise during the month, partly in line with seasonal patterns characterising the end of the year (see Table 1 and Chart 4 of the chart-pack).

The monthly average of the banking sector's current **account balances** with the MNB exceeded reserve requirements by HUF 36.3 billion. In December, reserve requirements amounted to HUF 222.4 billion (see Charts 1 of the chart-pack).

In December, **forint liquidity of the domestic banking sector** rose: the average stocks of credit institutions' overnight and other deposits increased and three-month deposits were phased out by the end of the month. From 19 December 2018, reserve requirements have been the MNB's key policy instrument, replacing the three-month central bank deposit.

The average stock of **central government deposits** dropped slightly during the month.

The average stocks of **external liabilities** fell modestly in December.

The **overnight average interbank interest rate** fluctuated at the bottom of the interest rate corridor throughout the month.

II. 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 – December 2018

HUF billions									
Assets	Opening stocks	Revaluations and other changes	Transactions	Closing stocks	Liabilities	Opening stocks	Revaluations and other changes	Transactions	Closing stocks
External assets	8 631,4	-24,5	834,4	9 441,4	Currency in circulation	5 919,7	0,0	197,1	6 116,8
Remaining assets	1 577,9	32,8	82,8	1 693,5	Three-month deposits of other MFIs	25,0	0,0	-25,0	0,0
					Other deposits of other MFIs	868,5	-0,2	655,2	1 523,5
					Deposits of central government	1 311,7	-2,4	87,3	1 396,6
					External liabilities	832,3	-7,2	-73,6	751,4
					Remaining liabilities	1 252,2	18,0	76,2	1 346,5
Total assets	10 209,3	8,3	917,3	11 134,9	Total liabilities	10 209,3	8,3	917,3	11 134,9

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Detailed tables: [Time series](#)

Notes: [Methodological notes](#)

Charts: [Chart pack](#)

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