



14 January 2020

## PRESS RELEASE

### *Preliminary statistical balance sheet of the MNB: December 2019*

In December, 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 in the month. The average stock of external assets fell relative to the previous month. 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  | November 2019 | December 2019 | Monthly changes | Liabilities   | November 2019 | December 2019 | Monthly changes |
| External assets   | 10 238,1      | 10 182,9      | -55,3           | Currency in circulation   | 6 477,1       | 6 641,3       | 164,3           |
| Swap claims on HUF related to forint liquidity providing EUR/HUF FX swap <sup>1,2</sup> | 2 305,1       | 2 266,5       | -38,6           | Current account balances of other MFIs  | 269,9         | 257,8         | -12,1           |
| Remaining assets <sup>3,4,6</sup>   | 2 006,4       | 2 077,3       | 70,9            | Overnight deposits of other MFIs <sup>5</sup>   | 870,1         | 1 278,1       | 407,9           |
|   |               |               |                 | Other deposits of other MFIs <sup>7</sup>   | 142,9         | 168,0         | 25,1            |
|   |               |               |                 | Deposits of central government  | 1 544,8       | 1 167,2       | -377,5          |
|   |               |               |                 | External liabilities  | 934,6         | 894,6         | -40,0           |
|   |               |               |                 | Swap liabilities to foreign currency related to forint liquidity providing EUR/HUF FX swap <sup>1,2</sup> | 2 305,1       | 2 266,5       | -38,6           |
|   |               |               |                 | Remaining liabilities <sup>4</sup>  | 2 005,0       | 1 853,1       | -151,9          |
| Total assets  | 14 549,6      | 14 526,6      | -23,0           | Total liabilities   | 14 549,6      | 14 526,6      | -23,0           |

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

<sup>2</sup> 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>

<sup>3</sup> Includes loans offered to credit institutions within Funding for Growth Scheme.

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

<sup>4</sup> 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.

<sup>5</sup> The stock of overnight deposits also includes the stock of preferential deposits.

<sup>6</sup> Includes the stock of mortgage bonds, held by the MNB, which were issued by domestic mortgage banks.

<sup>7</sup> Includes the stock of margin accounts linked to credit institutions' derivative transactions with the MNB.

The average and end-of-month stocks of **external assets** declined partly reflecting the strengthening of the forint exchange rate in December. An FX-denominated government bond issued by the GDMA expired in the second half of December, which primarily resulted in a fall in the end-of-month stock.

The average stock of **EUR/HUF swaps providing forint liquidity**<sup>1</sup> fell in the month.

Partly in line with the seasonality around the end of the year, the **average stock of currency in circulation** continued to rise in the month (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 25.4 billion. In December, reserve requirements amounted to HUF 237.6 billion (see Chart 1 of the chart-pack).

In the reference month, **forint liquidity of the domestic banking sector** increased: the average stock of credit institutions' overnight deposits rose sharply and the average stocks of other deposits increased to a lesser degree.

The average stock of **central government deposits** fell significantly during the month.

The average stock of **external liabilities** fell slightly in December.

The **average interest rate on overnight interbank loans** 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 2019**

| HUF billions     |                |                                |              |                |                                |                |                                |              |                |
|------------------|----------------|--------------------------------|--------------|----------------|--------------------------------|----------------|--------------------------------|--------------|----------------|
| Assets           | Opening stocks | Revaluations and other changes | Transactions | Closing stocks | Liabilities                    | Opening stocks | Revaluations and other changes | Transactions | Closing stocks |
| External assets  | 10 485,0       | -188,6                         | -256,9       | 10 039,5       | Currency in circulation        | 6 524,5        | 0,0                            | 102,5        | 6 627,1        |
| Remaining assets | 1 950,9        | -4,2                           | 405,9        | 2 352,6        | Deposits of other MFIs         | 1 416,7        | 0,0                            | 861,5        | 2 278,2        |
|                  |                |                                |              |                | Deposits of central government | 1 695,4        | -6,6                           | -742,6       | 946,2          |
|                  |                |                                |              |                | External liabilities           | 944,2          | -18,1                          | -54,4        | 871,7          |
|                  |                |                                |              |                | Remaining liabilities          | 1 855,1        | -168,0                         | -18,1        | 1 669,0        |
| Total assets     | 12 435,9       | -192,8                         | 149,0        | 12 392,1       | Total liabilities              | 12 435,9       | -192,8                         | 149,0        | 12 392,1       |

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## MAGYAR NEMZETI BANK DIRECTORATE STATISTICS

Detailed tables: [Time series](#)

Notes: [Methodological notes](#)

Charts: [Chart pack](#)

<sup>1</sup> More information on the statistical treatment of EUR/HUF FX swaps providing forint liquidity is available in the Methodological notes.

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