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PRESS RELEASE

Preliminary statistical balance sheet of the MNB: February 2019

In February, forint liquidity of the domestic banking sector fell, which was mainly reflected in a decrease in the average stock of credit institutions' overnight deposits. The average stock of currency in circulation continued to decline in the month. The average stock of external assets fell relative to January. 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	Jan. 2019	Feb. 2019	Monthly changes	Liabilities	Jan. 2019	Feb. 2019	Monthly changes
External assets	9 309,9	9 142,0	-167,9	Currency in circulation	6 027,4	6 014,1	-13,3
One-week loans of credit institutions	0,0	0,0	0,0	Current account balances of other MFIs	256,8	252,8	-3,9
Swap claims on HUF related to forint liquidity providing EUR/HUF FX swap ^{1,2}	1 983,1	1 969,1	-13,9	Overnight deposits of other MFIs ⁵	953,3	712,5	-240,8
Other swap claims on foreign currency with credit institutions ¹	0,0	0,0	0,0	Other deposits of other MFIs	161,7	188,4	26,7
Remaining assets ^{3,5,7}	1 746,8	1 764,4	17,6	Deposits of central government	1 379,8	1 445,3	65,5
				External liabilities	740,7	782,1	41,4
				Swap liabilities to foreign currency related to forint liquidity providing EUR/HUF FX swap ^{1,2}	1 983,1	1 969,1	-13,9
				Other swap liabilities to HUF with credit institutions ¹	0,0	0,0	0,0
				Remaining liabilities ⁵	1 536,9	1 511,2	-25,7
Total assets	13 039,7	12 875,5	-164,3	Total liabilities	13 039,7	12 875,5	-164,3

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.

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** fell in February. The decrease in average stocks primarily reflected the carry-over effect of the stock decrease in January, and the strengthening of the average forint exchange rate also contributed to the decline.

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

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

In February, the **average stock of currency in circulation** continued to fall mainly due to the carry-over effect of the decline in January (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 29.3 billion, which is a similar amount as in the previous month. In February, reserve requirements amounted to HUF 223.5 billion (see Charts 1 of the chart-pack).

In February, **forint liquidity of the domestic banking sector** decreased: the average stock of credit institutions' overnight deposits fell and the stocks of other deposits increased to a lesser degree.

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

The average stocks of **external liabilities** also increased the February.

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 – February 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	9 032,4	24,5	-94,9	8 962,0	Currency in circulation	5 998,8	0,0	22,5	6 021,4
Remaining assets	1 633,0	33,5	-8,7	1 657,8	Deposits of other MFIs	984,0	0,0	197,3	1 181,3
					Deposits of central government	1 749,9	0,0	-321,5	1 428,5
					External liabilities	677,4	6,1	38,6	722,1
					Remaining liabilities	1 255,2	51,9	-40,5	1 266,6
Total assets	10 665,4	58,0	-103,6	10 619,8	Total liabilities	10 665,4	58,0	-103,6	10 619,8

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Detailed tables: [Time series](#)

Notes: [Methodological notes](#)

Charts: [Chart pack](#)

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