



13 February 2019

PRESS RELEASE

Preliminary statistical balance sheet of the MNB: January 2019

In January, forint liquidity of the domestic banking sector rose, which was mainly reflected in an increase in the average stock of credit institutions' overnight and other deposits. The average stock of currency in circulation fell in the month. The average stock of external assets rose relative to December. 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	Dec. 2018	Jan. 2019	Monthly changes	Liabilities	Dec. 2018	Jan. 2019	Monthly changes
External assets	9 100,8	9 309,9	209,1	Currency in circulation	6 078,2	6 027,4	-50,9
One-week loans of credit institutions	0,0	0,0	0,0	Current account balances of other MFIs	258,7	256,8	-1,9
Swap claims on HUF related to forint liquidity providing EUR/HUF FX swap ^{1,2}	2 005,4	1 983,1	-22,3	Overnight deposits of other MFIs ⁶	919,4	953,3	33,9
Other swap claims on foreign currency with credit institutions ¹	0,0	0,0	0,0	Three-month deposits of other MFIs ⁴	14,5	0,0	-14,5
Remaining assets ^{3,5,7}	1 713,5	1 746,7	33,3	Other deposits of other MFIs	129,5	161,7	32,3
				Deposits of central government	1 135,9	1 379,8	243,9
				External liabilities	846,9	740,7	-106,1
				Swap liabilities to foreign currency related to forint liquidity providing EUR/HUF FX swap ^{1,2}	2 005,4	1 983,1	-22,3
				Other swap liabilities to HUF with credit institutions ¹	0,0	0,0	0,0
				Remaining liabilities ⁵	1 431,2	1 536,9	105,7
Total assets	12 819,6	13 039,7	220,1	Total liabilities	12 819,6	13 039,7	220,1

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 stock of **external assets** rose, while end-of-month stocks declined in January. The increase in average stocks primarily reflected the carry-over effect of the stock increase at the end of December, while the strengthening of the average forint exchange rate contributed to the decline of average stocks. The decline in the end-of-month stocks was mainly attributable to the maturity of an euro-denominated bond issued by the GDMA in January and the decrease also reflected a stronger exchange rate.

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

The MNB concluded one, three, six and twelve-month transactions with credit institutions at the **EUR/HUF FX swap** tenders **providing forint liquidity**. In January, 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 line with seasonal patterns characterising the beginning of the year, **the average stock of currency in circulation** fell short of the level recorded in December (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 31.8 billion. In January, reserve requirements amounted to HUF 225.0 billion (see Charts 1 of the chart-pack).

In January, **forint liquidity of the domestic banking sector** rose: the average stocks of credit institutions' overnight and other deposits increased and as a result of the phase-out of three-month deposits at the end of December average stocks fell by HUF 14.5 billion.

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

The average stocks of **external liabilities** fell in January.

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 – January 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	9 442,2	-108,1	-301,6	9 032,5	Currency in circulation	6 116,8	0,0	-118,0	5 998,8
Remaining assets	1 711,0	35,4	-115,4	1 631,0	Three-month deposits of other MFIs	0,0	0,0	0,0	0,0
					Other deposits of other MFIs	1 523,5	-0,8	-538,7	984,0
					Deposits of central government	1 396,6	-4,6	357,9	1 749,9
					External liabilities	752,2	-10,1	-64,7	677,4
					Remaining liabilities	1 364,0	-57,1	-53,6	1 253,3
Total assets	11 153,1	-72,7	-417,0	10 663,5	Total liabilities	11 153,1	-72,7	-417,0	10 663,5

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Detailed tables: [Time series](#)

Notes: [Methodological notes](#)

Charts: [Chart pack](#)

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