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PRESS RELEASE

Preliminary statistical balance sheet of the MNB: May 2019

In May, forint liquidity of the domestic banking sector fell, which was reflected in a decrease in the average stock of credit institutions' overnight and other deposits. The average stock of currency in circulation continued to rise in the month. The average stock of external assets fell slightly. The overnight interbank interest rate fluctuated typically 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	Apr. 2019	May 2019	Monthly changes	Liabilities	Apr. 2019	May 2019	Monthly changes
External assets	9 323,0	9 310,4	-12,7	Currency in circulation	6 081,9	6 132,9	50,9
One-week loans of credit institutions	0,0	0,0	0,0	Current account balances of other MFIs	257,0	277,0	20,0
Swap claims on HUF related to forint liquidity providing EUR/HUF FX swap ^{1,2}	1 931,9	1 776,2	-155,7	Overnight deposits of other MFIs ⁶	711,8	519,0	-192,8
Other swap claims on foreign currency with credit institutions ¹	0,0	0,0	0,0	Other deposits of other MFIs	102,1	89,1	-13,0
Remaining assets ^{3,5,7}	1 748,4	1 791,5	43,1	Deposits of central government	1 564,0	1 559,3	-4,7
				External liabilities	769,4	794,9	25,5
				Swap liabilities to foreign currency related to forint liquidity providing EUR/HUF FX swap ^{1,2}	1 931,9	1 776,2	-155,7
				Other swap liabilities to HUF with credit institutions ¹	0,0	0,0	0,0
				Remaining liabilities ⁵	1 585,2	1 729,7	144,4
Total assets	13 003,3	12 878,0	-125,3	Total liabilities	13 003,3	12 878,0	-125,3

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 slightly. The decline primarily reflects the decrease in the stock of EUR/HUF FX swap tenders providing forint liquidity, which was partly offset by the depreciation of the forint exchange rate.

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

The MNB concluded one, three, six and twelve-month transactions with credit institutions at the **EUR/HUF FX swap tenders providing forint liquidity**. Consistent with the decision of the Monetary Council on 26 March 2019, the average stocks of swap transactions providing forint liquidity fell in May. (Table 1 and Chart 5 of the chart-pack).

The **average stock of currency in circulation** continued to rise in May (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 50.7 billion, which is a greater amount than in the previous month. In May, reserve requirements amounted to HUF 226.3 billion (see Chart 1 of the chart-pack).

Forint liquidity of the domestic banking sector fell in the month: the average stocks of credit institutions' overnight and other deposits declined.

The **average stock of central government deposits** remained broadly unchanged during the month.

The average stocks of **external liabilities** rose slightly in May.

The **average interest rate on overnight interbank loans** fluctuated typically at the bottom of the interest rate corridor in the month. It only exceeded the interest rates on the overnight central bank deposits, which corresponds with the bottom of the interest rate corridor, to a greater extent than usual, for a few days from 20 May.

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 – May 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	9 344,1	135,9	-152,9	9 327,1	Currency in circulation	6 101,5	0,0	79,1	6 180,5
Remaining assets	1 638,6	59,4	14,3	1 712,3	Deposits of other MFIs	1 023,0	0,3	-208,8	814,5
					Deposits of central government	1 611,4	2,4	63,7	1 677,4
					External liabilities	784,6	5,4	11,2	801,3
					Remaining liabilities	1 462,2	187,2	-83,7	1 565,7
Total assets	10 982,8	195,3	-138,6	11 039,5	Total liabilities	10 982,8	195,3	-138,6	11 039,5

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Detailed tables: [Time series](#)

Notes: [Methodological notes](#)

Charts: [Chart pack](#)

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