



7 February 2001

## **PRESS RELEASE**

### **Preliminary analytical accounts of the NBH**

*January 2001*

According to the preliminary balance sheet data, in January 2001 central bank net claims on general government fell by Ft 294 billion. Net liabilities of the Bank to domestic credit institutions were lower by Ft 325.8 billion. Foreign assets and liabilities fell by Ft 121.3 billion and Ft 68 billion respectively. On balance, net foreign assets were Ft 53.3 billion lower than in the preceding month. The month-end value of banknotes and coin in circulation decreased by Ft 71.7 billion relative to end-December. Annual growth in the monetary base (M0)<sup>(a)</sup> was 13.7% in January. That meant a moderation in growth compared with the around 15% growth rate in December which reflected adjustment for the one-off effect caused by the Y2K problem.

Total central bank claims on general government fell by Ft 192.3 billion in the month, resulting almost entirely from the drop in the outstanding total of government securities. The sector's deposits with the Bank, in contrast, rose by Ft 101.7 billion. Credit institutions' domestic and foreign currency deposits with the central bank fell by Ft 329 billion, their total liabilities to the Bank falling by Ft 3.2 billion. Current account deposits, a class of central bank liabilities which includes also compulsory reserves, experienced the strongest change, showing a drop of Ft 191 billion due to changes to reserve requirement system.<sup>(b)</sup> The total amount of non-callable deposits fell by Ft 154 billion and that of foreign currency deposits by Ft 83.9 billion. The outstanding total of NBH domestic bills, another category of central bank liabilities to credit institutions, was Ft 105.5 billion higher relative to December.

The changes in the average stocks of central bank liabilities to credit institutions continued to be divergent with changes in the month-end figures. Accordingly, the average of foreign currency deposits fell by Ft 44.3 billion, while those of current account deposits and non-callable deposits rose by Ft 2.5 billion and Ft 19 billion respectively compared with December. The average amount outstanding of NBH domestic bills rose by Ft 61.5 billion in one month.

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<sup>(a)</sup> M0 is calculated from the month-end value of banknotes and coin, and the monthly average of credit institutions' reserve balances and other domestic currency deposits with the central bank. M0 does not include the outstanding stock of remunerated deposits.

<sup>(b)</sup> On 31 January 2001, credit institutions had to deposit with the authorities 4% of the reserve base in government bonds and central bank bills.

**BALANCE SHEET OF THE NATIONAL BANK of HUNGARY**  
(end of period stocks)

Forint billions

ASSETS	1999	2000		2001
	Dec	Nov	Dec <sup>a)</sup>	Jan <sup>a)</sup>
<b>I. Claims on credit institutions</b>	<b>126.6</b>	<b>101.9</b>	<b>93.8</b>	<b>90.6</b>
1. Long-term claims	123.7	98.5	90.3	87.7
a. Domestic currency credits	117.8	93.3	85.3	83.0
b. Foreign currency credits	5.9	5.2	5.0	4.7
2. Short-term claims	2.9	3.4	3.5	2.9
a. Domestic currency credits	2.5	2.5	2.0	2.0
b. Foreign currency credits	0.4	0.9	1.5	0.9
3. Sale and repurchase agreements	0.0	0.0	0.0	0.0
<b>II. Claims on Government</b>	<b>2300.2</b>	<b>2019.4</b>	<b>2022.9</b>	<b>1830.6</b>
1. Long-term credits	362.4	307.5	289.5	289.5
2. Government securities	401.2	368.0	367.5	173.9
3. Foreign currency credits	1536.6	1343.9	1365.9	1367.1
<b>III. Foreign assets <sup>b)</sup></b>	<b>3269.1</b>	<b>3992.5</b>	<b>3749.6</b>	<b>3628.3</b>
of which: international reserves <sup>b)</sup>	2772.1	3293.3	3197.3	3074.5
<b>IV. Other claims</b>	<b>30.0</b>	<b>10.0</b>	<b>10.0</b>	<b>0.0</b>
of which: credit to the Hungarian Post <sup>e)</sup>	30.0	10.0	10.0	0.0
<b>V. Other assets <sup>c)</sup></b>	<b>266.1</b>	<b>288.8</b>	<b>296.8</b>	<b>238.1</b>
1. Forint <sup>d)</sup>	258.6	280.2	276.8	229.5
2. Foreign exchange	7.5	8.6	19.9	8.5
<b>TOTAL</b>	<b>5992.0</b>	<b>6412.6</b>	<b>6173.1</b>	<b>5787.5</b>

**BALANCE SHEET OF THE NATIONAL BANK OF HUNGARY**

(end of period stocks)

Forint billions

LIABILITIES	1999	2000		2001
	Dec	Nov	Dec <sup>a)</sup>	Jan <sup>a)</sup>
<b>I. Banknotes and coins</b>	<b>955.9</b>	<b>959.3</b>	<b>966.7</b>	<b>895.0</b>
<b>II. Current accounts and compulsory reserves of credit institutions</b>	<b>337.8</b>	<b>481.2</b>	<b>554.7</b>	<b>363.7</b>
<b>III. Deposits and other claims of credit institutions</b>	<b>1317.7</b>	1070.1	1085.3	947.3
1. Long-term foreign currency deposits	113.7	103.7	66.6	65.9
2. Short-term foreign currency deposits	182.6	162.0	195.5	112.3
3. Repurchase agreements and forint non-callable deposits	764.6	484.8	493.3	339.3
4. NBH domestic bills held by resident credit institutions	0.0	90.8	111.2	216.7
5. NBH foreign bonds held by resident credit institutions and syndicated loans to the NBH	256.8	228.8	218.8	213.2
<b>IV. Government deposits</b>	<b>367.8</b>	<b>391.6</b>	<b>254.9</b>	<b>356.6</b>
1. Domestic currency deposits	245.7	301.8	170.7	270.9
2. Foreign currency deposits	122.1	89.8	84.2	85.7
<b>V. Foreign liabilities</b>	<b>2764.7</b>	<b>2911.7</b>	<b>2735.6</b>	<b>2667.6</b>
1. Long-term liabilities	2598.7	2487.0	2334.5	2325.8
2. Short-term liabilities	166.0	424.7	401.1	341.8
<b>VI. Other deposits and securities</b>	<b>17.6</b>	<b>376.8</b>	<b>360.9</b>	<b>346.5</b>
of which: deposit of the Hungarian Post	0.9	0.0	0.1	0.1
NBH domestic bills held outside banks	0.0	367.3	349.9	337.6
<b>VII. Other liabilities <sup>c)</sup></b>	<b>156.5</b>	<b>136.2</b>	<b>143.0</b>	<b>136.9</b>
1. Forint	121.5	131.4	138.4	131.0
2. Foreign exchange	35.0	4.8	4.6	5.9
<b>VIII. Capital and provisions</b>	<b>74.0</b>	<b>85.7</b>	<b>72.0</b>	<b>73.9</b>
1. Equity	10.0	10.0	10.0	10.0
2. Reserves, profit and provisions <sup>d)</sup>	64.0	75.7	62.0	63.9
<b>TOTAL</b>	<b>5992.0</b>	<b>6412.6</b>	<b>6173.1</b>	<b>5787.5</b>
Monetary base, M0	1439.0	1552.6	1560.9	1499.0

Notes: The aggregates may not sum because of rounding.

Foreign currency items are shown in domestic currency at the Bank's month-end mid-rate.

a) Preliminary data.

b) From 1 January 2000, the value of international reserves is indicated at net market rate.

c) Other assets and other liabilities also include items in transit.

d) Data for the last month is based on estimate, as the accounts have not yet been finalised.

e) The credit to the Hungarian Post ceased on 1 January 2001, therefore, from January 2001 no stock is recorded in the position 'Credit to the Hungarian Post'. This item will be removed from the balance sheet later.