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## **PRESS RELEASE**

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

***February 2001***

According to the preliminary balance sheet data, in February 2001 central bank net claims on general government rose by Ft 11.6 billion. Net liabilities of the Bank to domestic credit institutions were higher by Ft 78.9 billion. Foreign assets and liabilities both rose – the former by Ft 160.9 billion and the latter by Ft 16.4 billion. On balance, net foreign assets were Ft 144.5 billion higher than in January. The month-end value of banknotes and coin in circulation increased by Ft 3.5 billion relative to end-January. Annual growth in the monetary base (M0)<sup>a)</sup> moderated by 3.7%.

Total central bank claims on general government remained unchanged in the month, deposits of the general government sector with the Bank falling by Ft 11.6 billion. Credit institutions' domestic and foreign currency deposits with the central bank rose by Ft 79.1 billion, their total liabilities to the Bank also rising, by Ft 0.2 billion. Non-callable deposits, a class of central bank liabilities, experienced the strongest change, showing an increase of Ft 63.1 billion. The total amount of bankers' deposits which also include required reserves fell by Ft 16.3 billion, while that of foreign currency deposits rose by Ft 15.7 billion. The outstanding total of NBH domestic bills, another category of central bank liabilities to credit institutions, was Ft 15 billion higher relative to January.

Due to the modification to the reserve requirements system which affected end-January stocks, the changes in the averages of central bank liabilities to credit institutions continued to be divergent with changes in the month-end figures. Accordingly, the averages of foreign currency deposits, current account deposits and non-callable deposits fell by Ft 5 billion, Ft 216.5 billion and Ft 79.3 billion respectively compared with January. The average amount outstanding of NBH domestic bills rose by Ft 33.3 billion in one month.

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<sup>a)</sup> M0 is the sum of 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.)

## BALANCE SHEET OF THE NATIONAL BANK of HUNGARY

(end of period stocks)

Forint billions

A S S E T S	1999	2000	2001	
	Dec	Dec <sup>f)</sup>	Jan <sup>a)</sup>	Feb <sup>a)</sup>
<b>I. Claims on credit institutions</b>	<b>126.6</b>	<b>93.8</b>	<b>90.6</b>	<b>90.8</b>
1. Long-term claims	123.7	90.3	87.7	87.5
a. Domestic currency credits	117.8	85.3	83.0	82.8
b. Foreign currency credits	5.9	5.0	4.7	4.7
2. Short-term claims	2.9	3.5	2.9	3.2
a. Domestic currency credits	2.5	2.0	2.0	2.0
b. Foreign currency credits	0.4	1.5	0.9	1.2
3. Sale and repurchase agreements	0.0	0.0	0.0	0.0
<b>II. Claims on Government</b>	<b>2300.2</b>	<b>2022.9</b>	<b>1830.6</b>	<b>1830.6</b>
1. Long-term credits	362.4	289.5	289.5	289.5
2. Government securities	401.2	367.5	173.9	172.1
3. Foreign currency credits	1536.6	1365.9	1367.2	1369.0
<b>III. Foreign assets <sup>b)</sup></b>	<b>3269.1</b>	<b>3765.4</b>	<b>3628.5</b>	<b>3788.0</b>
of which: international reserves <sup>b)</sup>	2772.1	3197.3	3073.3	3221.3
<b>IV. Other claims</b>	<b>30.0</b>	<b>10.0</b>	<b>0.0</b>	<b>0.0</b>
of which: credit to the Hungarian Post <sup>e)</sup>	30.0	10.0	0.0	0.0
<b>V. Other assets <sup>g)</sup></b>	<b>266.1</b>	<b>283.4</b>	<b>230.6</b>	<b>217.0</b>
1. Forint <sup>d)</sup>	258.6	276.6	227.5	214.0
2. Foreign exchange	7.5	6.8	3.1	3.0
<b>T O T A L</b>	<b>5992.0</b>	<b>6175.5</b>	<b>5780.3</b>	<b>5926.4</b>

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

(end of period stocks)

Forint billions

LIABILITIES	1999	2000	2001	
	Dec	Dec <sup>f)</sup>	Jan <sup>a)</sup>	Feb <sup>a)</sup>
<b>I. Banknotes and coins</b>	<b>955.9</b>	<b>966.7</b>	<b>895.1</b>	<b>898.6</b>
<b>II. Current accounts and compulsory reserves of credit institutions</b>	<b>337.8</b>	<b>557.8</b>	<b>366.7</b>	<b>350.4</b>
<b>III. Deposits and other claims of credit institutions</b>	<b>1317.7</b>	<b>1080.4</b>	<b>917.1</b>	<b>1012.5</b>
1. Long-term foreign currency deposits	113.7	66.6	65.8	66.1
2. Short-term foreign currency deposits	182.6	195.5	112.3	127.7
3. Repurchase agreements and forint non-callable deposits	764.6	493.2	339.3	402.4
4. NBH domestic bills held by resident credit institutions	0.0	111.2	181.4	196.4
5. NBH foreign bonds held by resident credit institutions and syndicated loans to the NBH	256.8	213.9	218.3	219.9
<b>IV. Government deposits</b>	<b>367.8</b>	<b>254.9</b>	<b>356.6</b>	<b>345.0</b>
1. Domestic currency deposits	245.7	170.7	270.9	263.5
2. Foreign currency deposits	122.1	84.2	85.7	81.5
<b>V. Foreign liabilities</b>	<b>2764.7</b>	<b>2740.9</b>	<b>2662.5</b>	<b>2678.9</b>
1. Long-term liabilities	2598.7	2339.5	2320.7	2335.8
2. Short-term liabilities	166.0	401.4	341.8	343.1
<b>VI. Other deposits and securities</b>	<b>17.6</b>	<b>360.9</b>	<b>381.8</b>	<b>446.1</b>
of which: deposit of the Hungarian Post	0.9	0.2	0.1	0.1
NBH domestic bills held outside banks	0.0	349.9	372.9	434.1
<b>VII. Other liabilities <sup>d)</sup></b>	<b>156.5</b>	<b>149.0</b>	<b>134.0</b>	<b>124.6</b>
1. Forint	121.5	144.7	128.1	119.9
2. Foreign exchange	35.0	4.3	5.9	4.7
<b>VIII. Capital and provisions</b>	<b>74.0</b>	<b>65.0</b>	<b>66.5</b>	<b>70.3</b>
1. Equity	10.0	10.0	10.0	10.0
2. Reserves, profit and provisions <sup>d)</sup>	64.0	55.0	56.5	60.3
<b>TOTAL</b>	<b>5992.0</b>	<b>6175.5</b>	<b>5780.3</b>	<b>5926.4</b>
Monetary base, M0	1439.0	1561.0	1496.4	1283.4

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.

f) Modified but not yet audited data.