



9 April 2001

## **PRESS RELEASE**

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

***March 2001***

According to the preliminary balance sheet data, in March 2001 central bank net claims on general government fell by Ft 57.5 billion, net liabilities of the National Bank of Hungary to domestic credit institutions being lower by Ft 98.1 billion. Foreign assets and liabilities of the Bank rose by Ft 64.9 billion and Ft 38.2 billion respectively. On balance, net foreign assets were Ft 26.7 billion higher than in February. The month-end value of banknotes and coin in circulation increased by Ft 21.8 billion relative to end-February. Annual growth in the monetary base (M0)<sup>a)</sup> moderated by 5.4%. After eliminating the effect of the change to the system of required reserves, annual growth in the monetary base was 10.6% in the month under review, falling relative to February.

Total central bank claims on general government fell by Ft 29.1 billion in one month, in contrast with deposits of the general government sector with the Bank, which rose by Ft 28.4 billion. Credit institutions placed Ft 99.9 billion less domestic and foreign currency deposits with the Bank in March than in February, their total liabilities to the Bank falling by Ft 1.8 billion. Down Ft 161 billion, non-callable deposits, a class of central bank liabilities, experienced the strongest change. The increase of 105.9 billion in the total amount of bankers' deposits, which also include required reserves, partly offset that drop. Foreign currency deposits of credit institutions with the Bank fell by Ft 24.4 billion. The outstanding total of NBH domestic bills was Ft 22 billion higher relative to February.

The changes during March in the averages of central bank liabilities to credit institutions were slightly 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 24.5 billion, Ft 2.6 billion and Ft 22 billion respectively compared with February. The average amount outstanding of NBH domestic bills fell by Ft 7.2 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	2000	2001		
	Dec	Jan	Feb <sup>a)</sup>	Mar <sup>a)</sup>
<b>I. Claims on credit institutions</b>	<b>93.8</b>	<b>90.6</b>	<b>90.8</b>	<b>89.0</b>
1. Long-term claims	90.3	87.7	87.5	86.8
a. Domestic currency credits	85.3	83.0	82.8	82.1
b. Foreign currency credits	5.0	4.7	4.7	4.7
2. Short-term claims	3.5	2.9	3.3	2.3
a. Domestic currency credits	2.0	2.0	2.0	2.0
b. Foreign currency credits	1.5	0.9	1.3	0.3
3. Sale and repurchase agreements	0.0	0.0	0.0	0.0
<b>II. Claims on Government</b>	<b>2022.9</b>	<b>1830.6</b>	<b>1830.6</b>	<b>1801.5</b>
1. Long-term credits	289.5	289.5	289.5	271.5
2. Government securities	367.5	173.9	172.0	172.1
3. Foreign currency credits	1365.9	1367.2	1369.1	1357.9
<b>III. Foreign assets <sup>b) f)</sup></b>	<b>3765.4</b>	<b>3726.9</b>	<b>3902.4</b>	<b>3967.3</b>
of which: international reserves <sup>b)</sup>	3197.3	3073.3	3221.4	3248.7
<b>IV. Other claims</b>	<b>10.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
of which: credit to the Hungarian Post <sup>e)</sup>	10.0	0.0	0.0	0.0
<b>V. Other assets <sup>g)</sup></b>	<b>283.4</b>	<b>143.2</b>	<b>139.3</b>	<b>190.4</b>
1. Forint <sup>d) h)</sup>	276.5	138.6	136.3	187.4
2. Foreign exchange	6.9	4.6	3.0	3.0
<b>TOTAL <sup>i)</sup></b>	<b>6175.5</b>	<b>5791.3</b>	<b>5963.1</b>	<b>6048.3</b>

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

(end of period stocks)

Forint billions

LIABILITIES	2000	2001		
	Dec	Jan	Feb <sup>a)</sup>	Mar <sup>a)</sup>
<b>I. Banknotes and coins</b>	<b>966.7</b>	<b>895.1</b>	<b>898.6</b>	<b>920.4</b>
<b>II. Current accounts and compulsory reserves of credit institutions</b>	<b>557.8</b>	<b>366.7</b>	<b>351.4</b>	<b>457.3</b>
<b>III. Deposits and other claims of credit institutions</b>	<b>1080.4</b>	939.0	1022.7	816.9
1. Long-term foreign currency deposits	66.6	65.8	66.1	68.0
2. Short-term foreign currency deposits	195.5	112.3	127.7	101.4
3. Repurchase agreements and forint non-callable deposits	493.2	<b>339.3</b>	402.4	241.4
4. NBH domestic bills held by resident credit institutions	111.2	203.3	206.8	184.8
5. NBH foreign bonds held by resident credit institutions and syndicated loans to the NBH	213.9	218.3	219.7	221.4
<b>IV. Government deposits</b>	<b>254.9</b>	<b>356.6</b>	<b>345.0</b>	<b>373.4</b>
1. Domestic currency deposits	170.7	270.9	263.5	289.2
2. Foreign currency deposits	84.2	85.7	81.5	84.2
<b>V. Foreign liabilities <sup>f)</sup></b>	<b>2740.9</b>	<b>2669.3</b>	<b>2682.8</b>	<b>2721.0</b>
1. Long-term liabilities	2339.5	2320.7	2336.0	2326.3
2. Short-term liabilities	401.4	348.6	346.8	394.7
<b>VI. Other deposits and securities</b>	<b>360.9</b>	<b>359.9</b>	<b>435.6</b>	<b>483.6</b>
of which: deposit of the Hungarian Post	0.2	0.1	0.1	0.2
NBH domestic bills held outside banks	349.9	351.0	423.7	475.9
<b>VII. Other liabilities <sup>d)</sup></b>	<b>149.0</b>	<b>138.2</b>	<b>155.7</b>	<b>198.4</b>
1. Forint <sup>h)</sup>	144.7	40.9	43.3	91.3
2. Foreign exchange <sup>g)</sup>	4.3	97.3	112.4	107.1
<b>VIII. Capital and provisions</b>	<b>65.0</b>	<b>66.5</b>	<b>71.3</b>	<b>77.3</b>
1. Equity	10.0	10.0	10.0	10.0
2. Reserves, profit and provisions <sup>d)</sup>	55.0	56.5	61.3	67.3
<b>TOTAL <sup>f)</sup></b>	<b>6175.5</b>	<b>5791.3</b>	<b>5963.1</b>	<b>6048.3</b>
Monetary base, M0	1561.0	1496.4	1283.4	1298.7

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 8 January 2001. This item will be removed from the balance sheet later.

f) From the start of 1999, foreign assets and liabilities as well as the balance sheet total include the value of financial derivatives, from the start of 2001 at market price.

g) Includes the net difference due to marking to market the value of financial derivatives within data on international investment position.

h) From January 2001, other forint assets and liabilities do not include accrued interest arising from derivative transactions with non-residents.