



8 June 2001

## **PRESS RELEASE**

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

***May 2001***

According to the preliminary balance sheet data, net claims of the National Bank of Hungary on general government fell by Ft 144.3 billion in May 2001. The decrease in the Bank's net liabilities to domestic credit institutions was Ft 22.8 billion. Foreign assets of the Bank were Ft 43.3 billion higher, foreign liabilities being Ft 1.7 billion lower. On balance, net foreign assets of the Bank rose by Ft 45 billion relative to the preceding month. The month-end value of banknotes and coin in circulation was Ft 15 billion higher than at end-April. After eliminating the effect of the change to the system of required reserves, annual growth in the monetary base (M0)<sup>a)</sup> was 12.3% in the month under review, picking up from 10.2% in April.

Total claims of the Bank on general government fell by Ft 90.3 billion in one month, deposits of the general government sector with the Bank rising by Ft 54 billion. Credit institutions placed Ft 26 billion less domestic and foreign currency deposits with the Bank in May than in April. Their total liabilities to the Bank fell by Ft 3.5 billion. Non-callable deposits, a class of central bank liabilities, experienced the strongest change, falling by Ft 219.1 billion. The total amount of bankers' deposits, which include required reserves too, rose by nearly the same amount, up Ft 212.9 billion. Foreign currency deposits of credit institutions with the Bank rose by Ft 22.9 billion. The value of NBH domestic bills held by credit institutions was Ft 42.6 billion lower relative to April.

The negative outturn for other forint liabilities was the natural consequence of shifts in the forint exchange rate within the widened currency band.

The changes during May 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 liabilities rose by Ft 36.7 billion, that of current account deposits fell by Ft 2.4 billion and that of non-callable deposits rose by Ft 70.3 billion compared with April. The average amount outstanding of NBH domestic bills fell by Ft 36.9 billion in one month.

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<sup>a)</sup> M0 comprises the month-end value of banknotes and coin plus the monthly average of credit institutions' reserve balances with the central bank.

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

Forint billions

A S S E T S	2000	2001		
	Dec	Mar	Apr <sup>a)</sup>	May <sup>a)</sup>
<b>I. Claims on credit institutions</b>	<b>93.8</b>	<b>89.1</b>	<b>86.8</b>	<b>83.3</b>
1. Long-term claims	90.3	86.8	84.2	80.8
a. Domestic currency credits	85.3	82.1	79.6	76.3
b. Foreign currency credits	5.0	4.7	4.6	4.5
2. Short-term claims	3.5	2.3	2.6	2.5
a. Domestic currency credits	2.0	2.0	2.0	2.0
b. Foreign currency credits	1.5	0.3	0.6	0.4
3. Sale and repurchase agreements	0.0	0.0	0.0	0.0
<b>II. Claims on Government</b>	<b>2022.9</b>	<b>1801.4</b>	<b>1812.0</b>	<b>1721.7</b>
1. Long-term credits	289.5	271.5	271.5	271.5
2. Government securities	367.5	172.0	172.0	172.1
3. Foreign currency credits	1365.9	1357.9	1368.5	1278.1
<b>III. Foreign assets <sup>b) c)</sup></b>	<b>3765.4</b>	<b>3968.7</b>	<b>4028.5</b>	<b>4071.8</b>
of which: international reserves <sup>b)</sup>	3197.3	3250.2	3350.6	3291.6
<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>d)</sup>	10.0	0.0	0.0	0.0
<b>V. Other assets <sup>e)</sup></b>	<b>283.4</b>	<b>187.4</b>	<b>198.4</b>	<b>208.1</b>
1. Forint <sup>f)</sup>	276.5	184.4	195.3	205.1
2. Foreign exchange	6.9	3.0	3.1	3.0
<b>T O T A L <sup>e)</sup></b>	<b>6175.5</b>	<b>6046.6</b>	<b>6125.7</b>	<b>6084.9</b>

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

(end of period stocks)

Forint billions

LIABILITIES	2000	2001		
	Dec	Mar	Apr <sup>a)</sup>	May <sup>a)</sup>
<b>I. Banknotes and coins</b>	<b>966.7</b>	<b>920.4</b>	<b>942.3</b>	<b>957.3</b>
<b>II. Current accounts and compulsory reserves of credit institutions</b>	<b>557.8</b>	<b>458.4</b>	<b>286.2</b>	<b>499.1</b>
<b>III. Deposits and other claims of credit institutions</b>	<b>1080.4</b>	<b>801.9</b>	<b>1066.4</b>	<b>827.5</b>
1. Long-term foreign currency deposits	66.6	68.0	64.6	64.1
2. Short-term foreign currency deposits	195.5	101.4	107.3	132.9
3. Repurchase agreements and forint non-callable deposits	493.2	241.4	533.7	314.6
4. NBH domestic bills held by resident credit institutions	111.2	176.5	147.8	105.2
5. NBH foreign bonds held by resident credit institutions and syndicated loans to the NBH	213.9	214.6	213.0	210.8
<b>IV. Government deposits</b>	<b>254.9</b>	<b>379.5</b>	<b>388.5</b>	<b>442.5</b>
1. Domestic currency deposits	170.7	295.3	299.2	359.2
2. Foreign currency deposits	84.2	84.2	89.3	83.4
<b>V. Foreign liabilities <sup>e)</sup></b>	<b>2740.9</b>	<b>2727.8</b>	<b>2688.6</b>	<b>2686.9</b>
1. Long-term liabilities	2339.5	2333.1	2286.3	2278.8
2. Short-term liabilities	401.4	394.7	402.3	408.1
<b>VI. Other deposits and securities</b>	<b>360.9</b>	<b>491.8</b>	<b>501.8</b>	<b>518.2</b>
of which: deposit of the Hungarian Post	0.2	0.2	0.2	0.0
NBH domestic bills held outside banks	349.9	484.1	494.9	508.2
<b>VII. Other liabilities <sup>e)</sup></b>	<b>149.0</b>	<b>191.1</b>	<b>173.1</b>	<b>73.6</b>
1. Forint <sup>f)</sup>	144.7	90.3	67.3	-43.9
2. Foreign exchange <sup>h)</sup>	4.3	100.8	105.8	117.5
<b>VIII. Capital and provisions</b>	<b>65.0</b>	<b>75.7</b>	<b>78.8</b>	<b>79.8</b>
1. Equity	10.0	10.0	10.0	10.0
2. Reserves, profit and provisions <sup>g)</sup>	55.0	65.7	68.8	69.8
<b>TOTAL <sup>e)</sup></b>	<b>6175.5</b>	<b>6046.6</b>	<b>6125.7</b>	<b>6084.9</b>
Monetary base, M0	1561.0	1302.6	1325.0	1337.6

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) 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.

d) The credit to the Hungarian Post ceased on 8 January 2001. This item will be removed from the balance sheet later.

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

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

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

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